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LEGISLATIVE HISTORY

Public Law 457--78th Congress

Chapter 479--2d Session

H. R. 5125

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LEGISLATIVE HISTORY

Public Law 457—78th Congress  
Chapter 175—2d Session

P. L. 457

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## DIGEST OF PUBLIC LAW 457

**SURPLUS PROPERTY ACT OF 1944.** Establishes a Surplus Property Board to supervise the disposal of surplus war property. Provides that, subject to supervision of the Board, the War Food Administrator or his successor shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from such commodities, but that the actual disposal of such commodities shall be made by the agency or agencies designated by the Board. Prohibits the Board from exercising any of its powers under the Act with relation to disposal of surplus cotton or woolen goods except with the approval of the War Food administrator or his successor. Prohibits domestic sale of surplus farm commodities at prices less than the higher of Commodity Credit Corporation disposal prices or market prices, and permits Commodity Credit Corporation to dispose of or cause to be disposed of, for export only, at competitive world prices, any farm commodity or product thereof if not needed in the United States. Provides for disposal of surplus real property through such agency as may be designated by the Board but provides for preferences to former owners, tenants of former owners, veterans, and farmers. Increases from  $92\frac{1}{2}\%$  to 95% of parity the commodity-loan rate for cotton with respect to crops harvested after December 31, 1943, but not to those planted after 1944. Requires the Surplus Property Board to advise and consult with other interested Government agencies. Provides that property shall not be considered surplus unless so designated by the owning agency. Requires the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use. Provides for disposal of surplus property to local Governments and non-profit institutions, and includes provisions to facilitate the sale of such property in rural areas with the assistance of AAA.

## DRAFT OF PUBLIC LAW 437

Surplus Property Act of 1946. Establishes a Surplus Property Board to supervise the disposal of surplus war property. Provides that, subject to the supervision of the Board, the War Relocation Authority or its successor shall be solely responsible for the disposition of property with respect to the disposal of surplus agricultural commodities and surplus foods produced from such commodities, but that the actual disposal of such commodities shall be made by the agency or agencies designated by the Board. Prohibits the Board from exercising any of its powers under the Act with respect to disposal of surplus cotton or woolen goods except with the approval of the War Relocation Authority or its successor. Prohibits the sale of surplus farm commodities at prices less than the higher of Commodity Credit Corporation disposal prices or market prices, and permits Commodity Credit Corporation to dispose of or cause to be disposed of, for export only, at competitive world prices, any farm commodity or product thereof if not needed in the United States. Provides for disposal of surplus real property through such agency as may be designated by the Board but provides for preference for former owners, tenants of former owners, veterans, and farmers. Increases from 95% to 99% of parity the commodity loan rate for cotton with respect to crops harvested after January 31, 1947, but not to those planted after 1944. Requires the Surplus Property Board to advise and consult with other interested Government agencies. Provides that property shall not be considered surplus unless so designated by the War Relocation Authority. Provides for disposal of surplus property from one Government agency to other Government agencies for their use. Provides for disposal of surplus property for local Governments and non-profit institutions, and includes provisions to facilitate the sale of such property in rural areas with the assistance of AAA.



# INDEX AND SUMMARY OF HISTORY ON H. R. 5125.

November 18, 1943	Senate Report 539. Report of the Special Committee on Post-War Economic Policy and Planning recommending disposal of surplus war property.
February 9, 1944	Senate Report 539, Pt. 2. Report of the Special Committee on Post-War Economic Policy and Planning recommending disposal of surplus war property.
June 23, 1944	H. R. 5125 introduced by Rep. Colmer and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced.
August 7, 1944	Hearings: House, H. R. 5125.
August 9, 1944	Supplemental report on H. R. 5125 from the Comptroller General.
August 10, 1944	House Committee reported H. R. 5125 with an amendment. House Report 1757. Print of the bill as reported.
	H. R. 5125 as compared with the Clayton draft.
	S. 2065 introduced by Senator Stewart, and was referred to the Senate Committee on Military Affairs. Print of the bill as introduced.
August 11, 1944	Hearings: Senate, S. 1478, 1609, 1680, 1775, 1794, 1803, 1815, 2045, and 2065. Pts. 11 - 16.
August 14, 1944	Rules Committee reported House Res. 620 for the consideration of H. R. 5125. House Report 1760. Print of the Resolution.
	Remarks of Rep. Hope.
August 15, 1944	House began debate on H. R. 5125.
August 16, 1944	Debate continued.
	Remarks of Rep. Andrews.
August 17, 1944	Debate continued.
	Remarks of Reps. W. J. Miller, A. L. Miller, and Dilweg.
August 18, 1944	Debate continued.
August 21, 1944	Debate continued.
	Remarks of Rep. W. J. Miller.
August 22, 1944	Debate concluded. House passed H. R. 5125 with amendments.





August 22, 1944	Remarks of Reps. W. J. Miller and Andresen.  Senate Committee on Military Affairs reported S. 2065 with amendments. Senate Report 1057. Print of the bill as reported.  S. 2045 as compared with the Clayton draft. Analysis of S. 2065.
August 23, 1944	Print of H. R. 5125 as ordered to lie on the table.  Senate debate began on S. 2065.  Amendments proposed for S. 2065 by the following Senators: Wagner, Thomas, La Follette, McKellar, Ellender, and Aiken. Prints of the amendments.
August 24, 1944	Senate debate continued on S. 2065.  Amendments proposed for S. 2065 by the following Senators: Weeks, Taft, Hayden, and Downey. Prints of the amendments.
August 25, 1944	Senate debate concluded on S. 2065. Passed Senate with an amendment. Language of S. 2065 substituted for that of H. R. 5125.  Print of H. R. 5125 with the amendments of the Senate.  House and Senate Conferees appointed.
September 14, 1944	House received the Conference Report. House Report 1890.
September 18, 1944	House agreed to the Conference Report.  Remarks of Rep. Voorhis.
September 19, 1944	Senate agreed to the Conference Report.  Remarks of Rep. Cochran.
October 3, 1944	Approved: Public Law 457.  Index to Surplus Property Act.  Statement of the President on signing the Surplus Property Act.
October 10, 1944	Text of Surplus War Property Regulation No. 1.

August 22, 1944	Remarks of Reps. W. J. Miller and Anderson. Senate Committee on Military Affairs reported S. 2062 with amendments. Debate continued until 10:15. Bill as reported.
August 23, 1944	S. 2062 as reported with the Clayton Childs. Analysis of S. 2062. Print of H. R. 2125 as ordered to lie on the table. Senate debate began on S. 2062.
August 24, 1944	Amendments proposed for S. 2062 by the following Senators: Warner, Thomas, Inhofe, Hollister, Kilmer, and Allen. Prints of the amendments. Senate debate continued on S. 2062.
August 25, 1944	Amendments proposed for S. 2062 by the following Senators: Weeks, Tamm, Hayden, and Murray. Prints of the amendments. Senate debate concluded on S. 2062. Passed Senate with an amendment. Language of S. 2062 substituted for that of H. R. 2125.
August 26, 1944	Print of H. R. 2125 with the amendments of the Senate. House and Senate Conference appointed. House received the Conference Report. House Report 1950.
September 1, 1944	House agreed to the Conference Report. Remarks of Rep. Voorhis.
September 10, 1944	Senate agreed to the Conference Report. Remarks of Rep. Cochran.
October 3, 1944	Approved: War Relocation Authority. Index to War Relocation Authority Act.
October 10, 1944	Statement of the President on signing the War Relocation Authority Act. Text of War Relocation Authority Act, H. R. 1.



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# POST-WAR ECONOMIC POLICY AND PLANNING

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## PRELIMINARY REPORT OF THE SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

PURSUANT TO

### S. Res. 102

A RESOLUTION CREATING A SPECIAL COMMITTEE  
ON POST-WAR ECONOMIC POLICY AND PLANNING

---

CANCELATION OF WAR CONTRACTS  
DISPOSITION AND SALE OF SURPLUS PROPERTY  
AND  
INDUSTRIAL DEMOBILIZATION AND  
RECONVERSION



NOVEMBER 18, 1943.—Ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1943

**SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND  
PLANNING**

**WALTER F. GEORGE**, Georgia, *Chairman*

**ALBEN W. BARKLEY**, Kentucky

**CARL HAYDEN**, Arizona

**JOSEPH C. O'MAHONEY**, Wyoming

**CLAUDE PEPPER**, Florida

**SCOTT W. LUCAS**, Illinois

**CHARLES L. McNARY**, Oregon

**ARTHUR H. VANDENBERG**, Michigan

**WARREN R. AUSTIN**, Vermont

**ROBERT A. TAFT**, Ohio

**SCOTT RUSSELL**, *Counsel*



## POST-WAR ECONOMIC POLICY AND PLANNING

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NOVEMBER 18, 1943.—Ordered to be printed

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Mr. GEORGE, from the Special Committee on Post-War Economic Policy and Planning, submitted the following

### PRELIMINARY REPORT

[Pursuant to S. Res. 102]

Pursuant to the resolution creating it, this committee recently held a series of hearings, in executive session, on three subjects: The cancelation of war contracts; industrial demobilization and reconversion; and the disposal of surplus plants and property.

At these hearings the committee heard the Honorable James F. Byrnes, Director of the Office of War Mobilization; the Honorable Donald Nelson, Chairman of the War Production Board; the Honorable Robert P. Patterson, Under Secretary of War; the Honorable Jesse Jones, Secretary of Commerce; Commander H. F. Linder, Office of Procurement and Material, Under Secretary's Office, Navy Department; Mr. A. F. Hinrichs, Acting Commissioner, Bureau of Labor Statistics, Department of Labor; Dr. Harold G. Moulton, the Brookings Institution; Mr. Samuel H. Thompson, Assistant Director, National Planning Association; Mr. R. S. Smethurst, counsel, National Association of Manufacturers; Admiral Emory S. Land, United States Maritime Commission; Mr. Paul E. Shorb, finance committee, United States Chamber of Commerce; Mr. A. C. Mattei, vice president, United States Chamber of Commerce; Mr. John C. Fennelly, executive director, Committee on Economic Development; and Mr. J. Raymond Walsh, director of research, Congress of Industrial Organizations.

In addition, the committee had before it for consideration a number of well-prepared memoranda from organizations skilled in economic research and from industry.

At these hearings, it appeared that the Government has already found it necessary to cancel approximately 10,000 contracts; that the settlement of these canceled contracts by various governmental agencies is being made without any well-defined over-all policy.

It also appeared that large surpluses of movable property have been accumulated by various branches of the services and that these surpluses are now being disposed of by the agencies having them without any coordinated policy and without any real consideration of the impact upon the national economy.

It also appeared that the changing fortunes of war had caused the services to revise their ideas as to the necessity of certain plants that had been built; that some progress had been made in converting these plants, unnecessary to the present prosecution of the war, to other war uses and that there had been some conversion to civilian uses, but this, too, is being done piecemeal, without coordination between the services and without any real consideration of its impact upon the national economy.

It was clear from the testimony that at the close of hostilities the sum total of these problems would be multiplied many times. This would be true whether the war should end simultaneously in the European and Asiatic theaters, or whether the war in one theater should continue after the cessation of hostilities in the other. Considerably more than a million prime and subcontracts would have to be canceled; the determination as to the disposition of hundreds of Government-owned war plants would have to be made, and surplus goods would have to be disposed of in a quantity so vast that it could well disrupt the American economy for years to come.

Consideration of these facts led to the following conclusions:

(1) That it is urgently necessary that immediate steps be taken to set up machinery for the coordination of all of these problems and activities and for the furnishing of over-all direction.

(2) That this should be done by a central agency whose functions would be the promulgation and supervision of over-all policies and the correlation of the activities of the various agencies handling the mechanics of the problems.

(3) That the Congress should lay down the broad policies under which the problems should be handled.

(4) That the various contracting and procurement agencies should be the operating agencies to accomplish termination of their respective contracts and to dispose of their respective surpluses according to policies established by Congress and by the policy-making central agency above referred to.

It is the opinion of this committee that these principles, to be enunciated by Congress, should make it perfectly plain that the speedy conversion from war to peace, at the proper time, is a matter of almost as imperative necessity as was the speedy conversion from peace to war so that the problem of unemployment may be kept to the absolute minimum; so that goods to fill the gaps in the civilian economy made necessary by war be promptly produced; so that the system of private enterprise again be permitted to function freely and speedily; and so that the controls necessary in a war economy be relaxed with all practical rapidity.

To accomplish this end, the committee believe it necessary—

(1) That in the determination of what contracts should be canceled, where there is a choice, consideration should be given to the employment situation, the convertibility of the contractor's plant to civilian production, the amount of surplus materials that would be created by

the cancelation, or lack of it, and other factors that affect the civilian economy.

(2) That the largest possible percentage of funds owing to a contractor as the result of contract cancelation should immediately be made available to him; that a speedy and fair final determination should be reached as to the total amount due, and that the power of final determination of the amount of such settlements, in the event of disagreement, should not remain in the hands of the contracting officers but should be placed in an independent tribunal.

(3) That the Government assume the same obligation of fair and speedy settlement to all war contractors whose contracts are canceled, whether they be prime contractors, subcontractors, or in the various layers of contractors below subcontractors, and the formula to be followed in the settlement of their claims should be made perfectly clear and understandable to all such contractors, whether these claims legally are against the Government or against another contractor, that such contractors may plan with the maximum certainty for post-war reconversion.

(4) That the prime object in the disposal of war plants and equipment should be the return of these properties to our competitive economy under terms and conditions creating minimum disturbance to production and employment, and that the disposal should be handled in such a manner as to encourage competitive efficiency on the part of private industry.

(5) That wherever possible plants and their machinery and equipment should be disposed of in a manner to discourage monopoly and encourage the promotion of small enterprise.

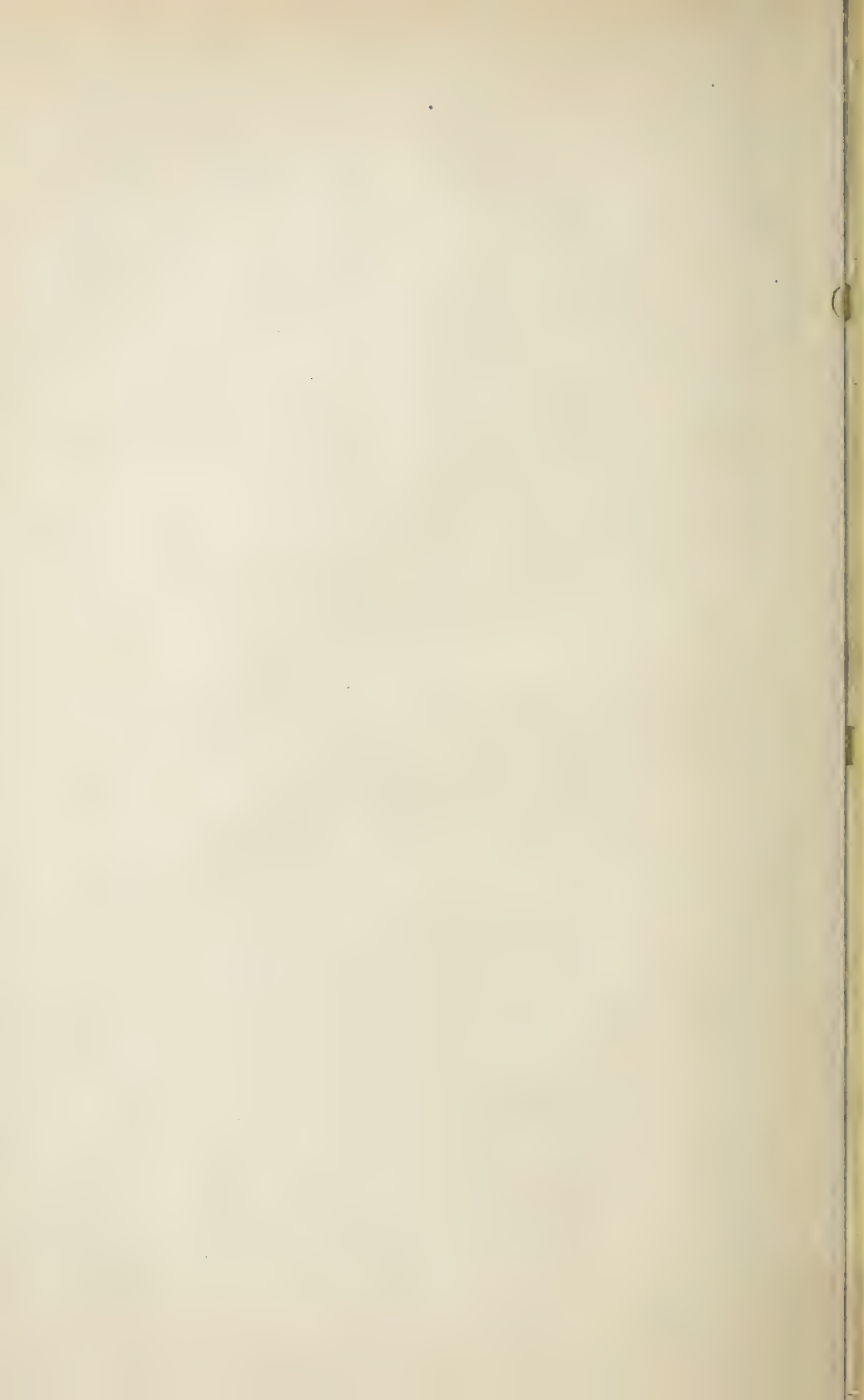
(6) That Government-owned machinery, tools, equipment, and inventories should immediately be removed from privately owned plants, to enable those plants to convert to peacetime industry with a minimum of delay.

(7) That the prime object in the disposal of surplus war supplies and materials should be their economic use; that so far as possible they should be distributed through the usual channels of distribution, in quantities that will permit their acquisition by small as well as large purchasers, and that they should be disposed of with due regard to the ability of the civilian market to absorb them without unduly disturbing the economy.

After hearing testimony of other witnesses, additional recommendations probably will be made, particularly with reference to the disposal and reconversion of war plants.

The committee proposes to continue hearings on these subjects for a brief time before making a final report to the Senate in regard to them.











# POST-WAR ECONOMIC POLICY AND PLANNING

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## REPORT OF THE SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

PURSUANT TO

### S. Res. 102

A RESOLUTION CREATING A SPECIAL COMMITTEE  
ON POST-WAR ECONOMIC POLICY AND PLANNING

---

CANCELLATION OF WAR CONTRACTS  
DISPOSITION AND SALE OF SURPLUS PROPERTY  
AND  
INDUSTRIAL DEMOBILIZATION AND  
RECONVERSION



FEBRUARY 9 (legislative day, FEBRUARY 7), 1944.—Ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1944

SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND  
PLANNING

WALTER F. GEORGE, Georgia, *Chairman*

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CHARLES L. McNARY, Oregon

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## POST-WAR ECONOMIC POLICY AND PLANNING

FEBRUARY 9, (legislative day, FEBRUARY 7), 1944.—Ordered to be printed

Mr. GEORGE, from the Special Committee on Post-War Economic Policy and Planning, submitted the following

### REPORT

[Pursuant to S. Res. 102]

On November 18, 1943, this committee submitted to the Senate a preliminary report on three subjects: the cancelation of war contracts, industrial demobilization and reconversion, and the disposal of surplus property. Since the submission of that preliminary report the committee has heard many additional witnesses in both open and executive hearings and has carefully studied all plans submitted to it by individuals and organizations who have made a study of these subjects. It has also carefully studied the testimony given before the subcommittee of the Senate Military Affairs Committee, of which Senator Murray is chairman; the Senate Special Committee Investigating the National Defense Program, of which Senator Truman is chairman; the House Military Affairs Committee, of which Representative May is chairman; and the House Select Committee on Small Business, of which Representative Patman is chairman. The information thus adduced forms the basis of this report on the three subjects.

The committee has also been working with the subcommittee of the Senate Military Affairs Committee, of which Senator Murray is chairman, and with that subcommittee is considering legislation.

#### THE MAGNITUDE OF THE PROBLEMS

The study of these problems subsequent to the preliminary report in no way minimized them. Rather, it magnified the colossal size of the task and accentuated the great need for having ready completely matured and coordinated plans for demobilization against the day when peace again comes to the world. The problems are so transcendent that the economic destiny of this country may well depend upon their proper solution; no amount of study put upon them can be greater than they deserve.

That mobilization is the supreme task of this Nation until the military might of our enemies is utterly destroyed cannot be overemphasized. No thinking and no planning for conversion to peace should be permitted, in even the slightest degree, to interfere with the prosecution of the war and the supreme mobilization effort. No discussion of reconversion to peace should for an instant be construed as optimism over the early ending of hostilities.

However, it is not believed that the making of plans for reconversion to peace will in any way interfere with the all-out mobilization effort. It is the aim of this committee to set up machinery not only to coordinate all of the planning for peace but to coordinate that planning with the planning for war.

Since our entry into the war, approximately 10,000 prime contracts have been canceled for the convenience of the Government. Most of these have been replaced with other Government contracts, resulting merely in a change-over from one type of war production to another. As to the remainder, the effect upon the national economy of the delays incident to contract settlement and plant reconversion was not too serious, in the face of an existing manpower shortage. Even with this comparatively small number of cancellations spread over a considerable period of time, the average time required for settlement with a contractor has been from 6 to 8 months.

The Under Secretary of War testified before this committee that when hostilities cease the Army alone would cancel 100,000 prime contracts, which in turn would result in the cancellation of a million important subcontracts. There will be no war contracts to substitute at that time. The factories holding those contracts provide employment for a majority of the workers in manufacturing industries and indirectly provide employment for many million others in the distributive industries. To avoid disastrous unemployment totals, the period of cessation of work in those factories must be kept to an absolute minimum.

Many factories have their entire working capital tied up in one phase or another of those contracts. Until contractors are put in funds to reconvert and carry on peacetime operations, they can not be substantial employers of labor. Even with a substantial payment against their claims, they will be handicapped in their operations until they know with certainty the total they are to receive from the Government.

Others have their factories filled with inventories for the manufacture of war goods. Those inventories must be moved out before they can convert to peacetime production. Still others have filled their plants with Government-owned machinery which must be moved out so that their own machinery can be moved back in. Still others have sold, at the instance of the Government, machinery not needed for war production but which must be replaced before peacetime production can be resumed.

Regardless of any governmental plans that may be made for publicly financed construction programs and similar work programs, the question of whether or not this country has an intolerable unemployment situation will depend upon the speed with which private industry can be reconverted to peace. The Brookings Institution, in its study of post-war reemployment, concludes: "A state of reasonably full employment at the end of the transition period would be



realized with an employment level of 54 millions. This would mean an increase in employment over 1940 of about 8 million, or roughly 17 percent." Based on War Manpower Commission estimates, the same report concludes that if the war continues, there will be employed in December 1944, outside the armed forces, approximately 50 million people. This leaves 4 million additional who must find employment outside the armed forces. It must be borne in mind that this is a greater number of people than have ever been employed in private industry before in America. The problem of getting these people to work will be difficult enough without complicating it by having factories remain idle because they cannot get their plants cleared of war inventories and Government machinery and their canceled war contracts settled.

Approximately \$19,000,000,000 have been spent on new plants since the war started. Roughly, 15 billion of this has been spent by the Government and 4 billion by private industry. Some of these plants the Government will need to keep in operation. Some they will need to retain in a stand-by condition. Others will be suitable for conversion to peacetime production and still others, for one reason or another, will have no value as manufacturing plants. Certainly, all of those that the domestic economy can absorb should be sold to private industry at the earliest possible moment.

Many private operators have options to purchase Government plants, that could well delay their operation. Certainly, those options should be respected where they exist; but, unless there is reasonable certainty that they will be exercised promptly, every effort should be made to remove them from the contracts.

The Government also owns many hundred thousand acres of land on which camp sites have been established, many port installations, pipe lines, and other facilities, all of which will have to be disposed of.

No one can make an intelligent guess as to how much movable property the Government will own at the conclusion of hostilities. Estimates of property presently owned by the Government are not indicative. The same is true of present factory inventories, which would become the responsibility of the Government upon the cancellation of its contracts. Estimates of the amount of goods that would be owned by the Government upon the termination of its contracts run as high as \$75,000,000,000. Some of this will consist of materials which will be so plentiful that to dump them on the market would mean that no factory manufacturing those products could turn a wheel for years to come and consequently could employ no one. Some of the materials will be critically scarce and must be disposed of in such a way as to prevent their concentration in a few hands, leaving other factories closed down for lack of them. The physical problem of storage will be gigantic. The problem of marketing these inventories so as to secure their greatest economic use and at the same time not disrupt the economy will tax the best minds in America.

This committee feels that these three problems, as well as many others that will arise in the reconversion period, are so inseparably linked that they cannot be handled piecemeal. It believes that an agency should be created by Congress to devote its entire attention to the working out and coordinating of all demobilization problems, under broad principles laid down by the Congress. It feels that regardless of how long the war may last, this planning should be started imme-



diately. It feels that this agency should begin now to collect the most complete information with reference to the factories that will be affected by war-contract cancelation, their manpower requirements as war industries and as peace industries, their inventory and machinery requirements in both categories; should make plans wherever possible to have the requisite peacetime machinery and inventories available to manufacturers at the earliest possible moment after peace comes; should have inventories of not only the goods that the Government has on hand but of those in the hands of the war production factories, so that it can have formulated in advance the necessary plans for the disposal of those inventories and can determine the necessity for continuing or relaxing price controls, rationing and allocation of materials, in order to keep the economy on an even keel.

The agency should survey the potentialities of all the Government-owned plants and should determine which of those can be sold to private interests and absorbed into the domestic economy and which of those, not needed by the Government, cannot be so sold. Plans should be made to convert the latter into warehouses for the storage of surplus property the very instant their use as war plants ceases. Plans should be worked out with private contractors in advance of cancelation so that they can know almost instantly to which of these warehouses they can ship the inventories and machinery that must be moved out of their plants.

The cutting of all red tape must be provided for in advance. To cut much of this red tape will require action by the Congress, but it will also require a mental approach different from that which has so often delayed the Government's business transactions. It must have a mental approach that brushes aside all obstacles to its accomplishment. Its intelligent and speedy accomplishment is the second most important task facing America.

The Congress should not overlook the fact that however unavoidable is the delegation of its policymaking powers in time of war, it is quite another thing for Congress to delegate its primary functions to any executive agency in time of peace and it should retain in its hands the settlement of the broad basic problems of the demobilization program out of which the structure of the peace economy will arise. The nature of the economy of this country for many years to come will depend upon the policies and decisions which are to be followed in the demobilization. Regional, State, and local considerations have been overlooked of necessity in the mobilization for war, for in war central power is essential. They cannot be overlooked in the reconstruction program for which we are now preparing. The economic life of this Nation must not be permitted to become dependent upon Washington directives for peace as it has been for war.

The committee believes that the Congress should lay down the broad policies under which these problems are to be handled, should create the agency for coordinating them and define its duties and should immediately pass any legislation necessary to clear away obstacles to their speedy settlement and should repeal or amend any legislation that presents such an obstacle.

The committee recognizes that hostilities may cease in two stages; that the problems of reconversion may come in three steps, or may go through continuing changes as the tempo of war changes. Those changes, however, are changes in degree only and are ones with which

the recommended central agency will have to deal. It is not believed that these differences in degree affect the part which Congress should play in clearing the way for the solution of the great, broad problem.

#### GENERAL POLICIES

The statement of policies should make it clear that:

The paramount consideration in the handling of all demobilization problems should be the preservation and strengthening of the American system of free competitive enterprise. All war plants and war surpluses should be handled by the demobilization agency so as to promote such enterprise.

Every action taken should be controlled by the compelling necessity of getting American business on a full employment basis with the minimum possible delay. The dollar value to the Government of the things being dealt with should not be lost sight of, but its consideration should not interfere with the accomplishment of this objective.

Government plants no longer necessary to the national defense should be disposed of in such way as to result in their greatest economic use, but the effect upon the general economy should be the first consideration in determining the disposition to be made of them. All plants suitable for the production of peacetime goods and not needed for the national defense should be sold, where this can be done without causing ruinous overproduction in any industry. An industry should not be severely damaged through overproduction merely for the purpose of selling a Government-owned plant, but a plant should be held off the market only where its operation would result in the production of more goods than the market could absorb at reasonably competitive prices. The leasing of plants for a period sufficiently long to determine the effect of their operation upon the economy should be authorized.

No Government plant should be disposed of in a manner to create monopoly, strengthen monopolies already existing, or otherwise encourage monopoly, but the fostering and encouragement of competitive enterprise and small business should be a prime consideration.

Authority should be expressly withheld from any agency to dispose of Government-owned plants in basic industries, where the Government holdings of those plants are sufficient for their disposal to exert a preponderant influence on the future course of that industry. In such category are airplane factories, rubber, aluminum, and magnesium plants, shipyards, pipe lines, steel mills, and possibly others. The use or disposal of plants in these industries may well have to be correlated with the Nation's foreign policy and Congress should expressly legislate further in regard to them.

Surplus goods should be disposed of in a manner to best utilize their economic value, and as expeditiously as possible. At the same time, they should not be forced on the market in quantities greater than the civilian market can absorb, without unduly disturbing the economy, or in quantities that will cause the shutting down of factories producing them. Their sale should be so timed as to take into consideration its impact on the economy. Any surpluses that cannot be absorbed in this country within a reasonable time without disrupting the economy should be sold abroad, where this can be done without also unduly disrupting the domestic economy.

No Government-owned plants should be scrapped and no surplus property should be destroyed except in circumstances where their continued existence would have such a profoundly harmful effect upon the national economy that their destruction appears imperatively necessary.

Where practicable surplus goods should be sold in quantities that will permit their acquisition by small purchasers. Methods of sale that will permit these goods to fall into the hands of speculators should not be used, but wherever possible they should be distributed through regular distributive channels.

The shutting down of factories, the stoppages of work, and the unemployment of workers, through delays in contract settlement, will cause far greater loss of revenue to the Government—to say nothing of the general economy—than could possibly be saved through conventional preaudit of contractors' claims. The prime requisites in the settlement of such claims are speed and fairness and these should not be sacrificed in an effort to detect latent fraud prior to settlement, but the most complete and adequate machinery should be set up for post-audit to detect and punish fraud.

Prime contractors and subcontractors and the various layers of contractors below subcontractors have all contributed in equal degree, according to their ability, to the war effort, and the Government owes the same obligation to all of them, whether or not their claims legally are against the Government, and its contract termination procedures must be designed to afford them equal protection, certainty, speed, and fairness. Every possible effort should be made to overcome any legal obstacles that may stand in the way of this purpose.

Unless previous arrangements have been made for their retention by the contractor, Government-owned machinery, tools, equipment, and inventories should immediately be removed from privately owned plants. The fact that no adequate storage facilities exist for them should not be a deterrent to the accomplishment of this purpose. Privately owned plants moved their machinery into the weather to accommodate Government machinery, and if necessary to prevent the shut-down of private plants, the Government should do the same with its property. If there is a conflict the reopening and reconversion of plants to enable them to give employment is paramount to the preservation of Government-owned physical property.

The Army, Navy, and Maritime Commission should determine what property in their hands constitutes surplus. The determination of what constitutes surplus in the hands of other agencies should rest with the Office of Demobilization, or its designee.

#### CENTRAL AGENCY

The committee recommends the establishment, by statute, of an Office of Demobilization, headed by a Director of Demobilization to be appointed by the President and confirmed by the Senate. The Director should hold office for a term of 2 years, but should be subject to reappointment at the end of that term. The Director should be empowered to appoint deputy directors to head units to deal with contract cancelation, plant reconversion, disposal of surplus property, and such other units as may be necessary.



In the Office of Demobilization should be created a full-time Board, appointed by the Director, and composed of the ablest men whose services can be secured, upon whom the Director can constantly call for advice and assistance. The deputy directors may be members of the Board.

There should also be created a congressional committee, composed of three Members of the Senate and three Members of the House, to confer with the Director on matters of broad general policy, and to whom he should report not less frequently than every 30 days on all general policy decisions made by him. This committee, any of its members, or its designee should be free to attend all meetings of the Board of the Office of Demobilization.

The Office of Demobilization should be supreme in all matters relating to industrial reconversion to peace, except that, so long as hostilities continue, it should be subordinate to the Office of War Mobilization and should coordinate all of its activities with other agencies through that Office, keeping the Director of War Mobilization constantly advised of those activities.

It should not be an operating agency, as all of the evidence before this committee indicates that the actual carrying out of plans can best be handled by agencies already established, under the over-all policies laid down by the Office of Demobilization. It should, however, have the power to set up its own administrative machinery, or to supplement the administrative machinery of existing agencies, in any case in which the existing agency fails to follow its direction or has inadequate manpower for the job assigned to it.

In outlining its duties and powers, it should be made plain that upon it rests the responsibility for having formulated complete plans for industrial reconversion to peace and for the coordination of all such plans, and that its power to issue orders to other agencies of the Government with reference to industrial reconversion plans and policies is absolute, subject only to its control by the Office of War Mobilization until hostilities cease.

It should be directed to cause a complete survey to be made of all Government-owned plants and other plants engaged in war production to ascertain which of those plants are necessary for the national defense, which of them can be converted to peacetime use, and which of them have no economic value in either category, and to promulgate plans that will result in the speediest possible conversion of those in the second class and the greatest economic use of those in the third class.

It should be directed to cause a complete inventory to be made of all Government property and to gather such information with reference to inventories in the hands of private industry as would enable it immediately to put into effect a matured plan for the handling, storage, disposition, and control of those inventories which will become the property of the Government when contracts are canceled.

It should be directed to prescribe a uniform cancellation clause for each type of contract embodying the principles set out in this report, with formulae applicable alike to both prime and subcontractors, which every prime contractor and subcontractor should be given the option to adopt in lieu of any termination clause that may now be in his contract; adopt uniform rules for the filing of claims arising out of the cancellation of contracts, prescribe forms for the

filing of such claims, prescribe the evidence necessary to support them and determine the records of settlement which are to be kept; work out with the various contracting agencies of the Government the speediest possible method of handling claims of contractors and take such steps as may be necessary to familiarize all contractors and contracting officers with the procedures worked out; establish a regular reporting system on the progress of termination settlements and disposal of property and obtain such additional information from the contracting agencies from time to time as may be deemed necessary; work out, as far as practicable, a system of advance notice to contractors of contemplated termination; appoint the review tribunals hereinafter referred to.

It should be directed to consult with representatives of industry—large and small—labor, agriculture, and with the heads of all interested Government departments to the extent necessary to familiarize itself with the problems of all segments of the economy.

It should be directed to see that no plants are scrapped or surplus property destroyed, except upon a two-thirds vote of the Board, concurred in by the Director.

It should be authorized and directed to utilize the services of any other agency of the Government in handling the mechanics of conversion problems, give direction to their operations in the handling of such problems, and where necessary to carry out its policies, establish its own administrative machinery.

It should be authorized and directed to make such rules and regulations within the framework of the general policies laid down by the Congress as it may deem necessary and to do any and all other things, within the framework of those policies, that may be necessary to effectuate them.

It should be directed to report to Congress every 3 months on the exercise of its duties and powers, on the operation of each of the contracting agencies, and on the need for any additional legislation, and to furnish Congress with any other information which may be desired.

The Director and the Board should hold public sessions from time to time; should be accessible to the general public; and should act as a forum in which public reactions to the demobilization program may be given expression.

#### ADVANCE PAYMENTS

Such a vast amount of the capital of so many manufacturing concerns will be tied up in inventories and in claims against the Government that it is absolutely essential that payment be made without any delay whatsoever. Unless congressional direction is given that will result in the Government dealing with contractors just as two ordinary business concerns would deal with each other, the traditional and entirely proper feeling that the Government's funds are sacred will result in delays that cannot be tolerated. Unless claims for inventories are paid just as a commercial invoice is paid, many companies will not be able to operate. Certainly, in relaxing the traditional rules governing payments by the Government, every safeguard against fraud, consistent with speed, should be thrown around those payments.



The committee recommends the immediate payment of the contract price for all finished goods on hand; the immediate payment of 100 percent of the direct cost of all inventories of raw materials and partially processed goods in the hands of the contractor, and as large a percentage, up to 90 percent, of all other items in the claim as the contracting agency feels will afford the Government reasonable protection.

Where the detailed ascertainment of the direct cost of inventories is apt to cause delay, the procuring agency should be authorized to make advance payments and partial payments up to 90 percent of the estimated total amount due on terminated contracts and subcontracts or groups thereof, and should be authorized to base the estimates on such certificates of the contractor or on such other evidence as they deem sufficient, or as may be prescribed by the Office of Demobilization.

The procuring agencies should also be authorized to make direct termination loans to contractors and subcontractors and to make guaranties of loans by public and private financing institutions, similar to the present V-loans. The Reconstruction Finance Corporation and the Smaller War Plants Corporation should be authorized to make loans where necessary to keep plants in operation, but where the need may not arise directly out of the termination of a contract.

The Office of Demobilization should be authorized to direct the procuring agencies to make mandatory advance or partial payments or loans or guaranties of loans, to such classes of contractors and subcontractors, upon such terms and conditions and upon such evidence, including the mere certificate of the contractor, as the Office of Demobilization deems appropriate.

Inasmuch as all of the traditional rules with reference to preaudit are being relaxed, severe penalties should be imposed for overstatement of the claim. It is recommended that a penalty of 1 percent a month upon the amount of any excessive advance payment obtained by the contractor through overstatement of his claim be imposed upon him from the time payment is made to him until repayment is made to the Government, which penalty should not be a deductible expense for income-tax purposes.

If the disbursing officers have to make any study whatsoever of the great number of claims that will be submitted before paying the major portion of them the payments will be too long delayed. It is recognized that by the method suggested, some unscrupulous contractors may obtain from the Government more than is due them and in some instances it may not be possible to recover those excess payments, but it is believed that the money which will be lost through the loss in tax revenues and through unemployment benefits, due to failure of many contractors to operate, will far more than offset any possible fraudulent losses, to say nothing of losses through the stagnation of the private economy.

#### THE SETTLEMENT OF CANCELED CONTRACTS

Some means must be found to speed up the settlement of canceled contracts. In fact, more than a hundred thousand prime contracts, with all of their subcontracts, must be settled much faster than the 10,000 already canceled have been and are being settled.

Under the present system of contract settlement, the contracting agency deals only with the prime contractor and requires the prime contractor to settle with his subcontractors and the subcontractor to settle with his subs, subject to approval by the contracting officer, of the subcontract settlements. There is nothing in any cancellation clause so far adopted or proposed that gives to either the prime contractor or the subcontractor any yardstick or formula for the settlement of subcontracts. As the matter now stands, a prime contractor might reach agreements with thousands of subs and have all those agreements disapproved. He would then have to start over, with no more certainty that subsequent agreements would be approved. The present clauses make no provision for caring for the subcontractor's inventories or the taking over of them by either the prime contractor or the Government.

The job cannot be done in the way it is now being handled, within any tolerable time.

It is believed that, wherever feasible, the filing of over-all claims by contractors and subcontractors and the settlement with both on an over-all company basis would greatly speed the process. The use of the over-all company claim probably would result in not more than 10 percent as many claims being filed as would be filed under the present method. Its use would enable contractors to lump inventories and indirect costs applicable to Government business and avoid the necessity of undertaking to break those items down and allocate them to individual contracts. It would release a large percentage of the executive manpower of the Nation to work out the other problems of business. Under the present system, a subcontractor, with only one executive, might have to deal with hundreds of prime contractors scattered throughout the country. The entire time of that executive could be taken up for months to come. Some of the large prime contractors have thousands of subcontracts that would have to be dealt with individually, and while these prime contractors probably have more executive manpower, their problem could well be as great, proportionately. The over-all claim method would obviate most of this work, which has to be handled by company executives. Evidence was put before the House Military Affairs Committee and a subcommittee of the Senate Military Affairs Committee indicating that only 90,000 manufacturing concerns in the entire country filed income tax returns. It may be safely assumed that this is the maximum number which would have Government contracts and that the more than one and a half million prime and subcontracts are divided among them.

It is recognized that there are many administrative obstacles to the handling of claims in this manner, but in most cases those obstacles are not insurmountable for anyone who is determined to surmount them. Because solutions for those administrative obstacles have not been worked out, and in some cases cannot be worked out, the over-all claim method cannot be made mandatory, but the contracting agencies should fully explore its possibilities, with a view to utilizing it wherever it will shorten the settlement process.

Legislation would be necessary to cut across the traditional concept of the expenditure of appropriations. The Army would have to be authorized and directed to use its funds in the settlement of Navy contracts, and vice versa, with later accounting between the services.

This is done, in reverse, in renegotiation. Most of the renegotiation is being handled on an over-all company basis, rather than on a contract basis.

It probably would also be necessary to cut across some of the legal concepts of privity of contracts and the objection might be made that the prime contractor would not be willing for the Government to deal with his subcontractors. There seems little difficulty, however, in the Government contracting for this right, purchasing the subcontractor's claims, if necessary.

Legislation should also be passed specifically authorizing negotiated settlements, but these settlements, like all others, should be based upon records sufficiently complete to be susceptible of post-audit for fraud. The Office of Demobilization should prescribe the scope of those records.

Conventional preaudits of claims are utterly impractical and the Comptroller General should be relieved of any responsibility for preaudits. The Office of Demobilization should make rules prescribing checks which are feasible and appropriate to the circumstances, but more than this would produce intolerable delays. It should be made perfectly plain that settlements agreed upon can only be upset for fraud.

At the same time, there should be the fullest opportunity for post-audit to detect fraud. It is not the committee's belief that every claim should be fully audited but certainly any claim in which there is the slightest suspicion of fraud should be. The responsibility for having post-audits made should be placed upon the Office of Demobilization and it should be authorized to use any accounting agencies of the Government and set up such additional agencies as may be deemed necessary. It should prescribe the keeping of company records of every settlement and a statute should be passed requiring every contractor to keep the prescribed records for a period sufficiently long to permit audits for fraud and the failure to keep such records should be made a criminal offense. The statute of limitations against fraud prosecutions should be extended and provision should be made for the recovery of triple damages of any sums paid as a result of fraud. Every possible safeguard should be set up to punish fraud because of the necessity of relaxing the conventional preventive controls.

The Government should be required to pay interest on that portion of the claim which is not paid within 60 days. The interest rate should be sufficiently high to make the claim bankable, but sufficiently low not to encourage the contractor to delay settlements. It is believed that 3 percent interest would strike a happy medium.

#### INVENTORIES

The present cancellation clauses authorize the contracting officer to require the contractor to sell his inventories and likewise authorize the retention of the inventories by the contractor at an agreed price. Inventories in the hands of manufacturers will constitute such a very large percentage of the total of surplus goods that a planned disposal of surpluses by the Office of Demobilization would be impossible, without including the inventories in the hands of manufacturers allocable to canceled contracts. If those inventories were sold at



the discretion of individual contracting officers, their sale would disrupt any plans that the Office of Demobilization could make for the orderly disposition of other surpluses. It is, therefore, recommended that the Office of Demobilization, or its designee, be authorized to take immediate title to all inventories in the hands of manufacturers allocable to canceled contracts and that they be disposed of under the policies laid down by that office. It is not believed that this would in any way conflict with the Army's desire to be able to transfer such materials between war factories and it should not be permitted so to interfere, but to carry out the provisions of the termination clauses could well result in the market being completely glutted with certain types of goods while scarce goods fall into the hands of a few manufacturers.

Wherever inventories are not removed from a contractor's plant within 30 days, the contractor should have the right to remove and store them. Any agreements for retention of inventories by the contractor should be made under the general policies laid down by the Office of Demobilization, but no contractor should be required to retain title to them as a condition of his termination settlement.

#### REVIEW AND APPEAL

In the interest of speed and certainty, settlements reached between the Government and a contractor should not be subject to review by any independent agency, except for fraud. Where the Government and the contractor cannot agree, the contractor should have the right of appeal to an independent tribunal. To make that right of appeal real, any provisions in contracts making the findings of fact of contracting officers or department heads final in regard to the amount due on terminated contracts should be nullified by statute.

The right of appeal to the courts, if it were the only method, would be more imaginary than real. Court machinery would become so hopelessly clogged that settlements would drag interminably. It is believed that the contractor should have the right to go to the Court of Claims if he wishes, and additional commissioners should be appointed in the Court of Claims to facilitate the functioning of that court.

However, some more summary method must be found to give the contractor an opportunity to present his case to an impartial tribunal.

This can best be accomplished in three ways:

(a) By authorizing the Government to submit its controversies to arbitration and providing that arbitration shall be had under the terms of the National Arbitration Act, on the demand of the contractor;

(b) By having umpires appointed by the Office of Demobilization in every judicial district, with adequate salaries and adequate staffs;

(c) By setting up a review board in Washington, to be appointed by the Office of Demobilization.

It should be provided that no appeal could be taken until 60 days after all of the contractor's evidence had been submitted to the contracting officer, to give the contracting officer an opportunity to make a decision.

Submission to an umpire or to the Washington review board should have the same legal effect as submission to arbitration and the selection of one method of appeal should preclude all others. The contractor should have his choice of the summary method with greater speed, or of recourse to the courts, but there must be an end to litigation arising out of these contracts, and having selected the summary method, access to the courts should be denied, except to set aside an award on the same basis as arbitration awards can be set aside.

It is also recognized that in the hurry of getting out contracts, many of them contained clauses that were unnecessarily harsh or omitted clauses that should have been included. As the law now stands, contracting officers are bound to take advantage of every inclusion or omission in a contract, no matter how inequitable it may be. The First War Powers Act confers upon the contracting agency the power to amend contracts without consideration and this power is being exercised by the heads of the agencies. That power should be continued and the review board set up by the Office of Demobilization should be given power to review any action on the part of the contracting agency in connection with it.

#### MISCELLANEOUS LEGISLATION

There is a very general feeling that the imposition of personal financial liability upon contracting, certifying, and disbursing officers for overpayments causes them to be too meticulous and greatly slows down the settlement process. The amount which could be recovered from those officers is so negligible that it is recommended that this liability be removed, in the absence of fraud.

There are a great many so-called informal contracts, purchases against which contracts were not issued, and other situations in which the Government has received material for which in good conscience it should pay. An act should be passed validating all of these contracts and providing that the Government should pay for goods delivered to it in good faith and from which it benefited. The Dent Act, passed at the end of the last war, was not broad enough to cover quasi-contracts. An act similar to it but broad enough to do this should be passed.

It is also believed that in order to facilitate the acquisition of inventories from war contractors incident to contract termination, the requirement that the Government purchase by competitive bidding or at the lowest price available should be removed and specific authorization should be given to sell surpluses by private negotiation and to others than the highest bidder.

#### CONCLUSION

Until the various Government agencies know the pattern of legislation dealing with these subjects and know what duties are to be performed by each, no final plans can be matured by them.

It is imperatively necessary that whatever legislation is to be passed be gotten under way at the earliest possible moment.





— H. R. 7125

1913





78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. 5125

# H. R. 5125

## IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 1944

Mr. COLMER introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

# A BILL

To provide for the disposal of surplus Government property and plants, and for other purposes.

1      *Be it enacted by the Senate and House of Representa-*  
2      *tives of the United States of America in Congress assembled,*

### 3 OBJECTIVES

SECTION 1. The Congress hereby declares that the ob-  
 jectives of this Act are to facilitate and regulate the orderly  
 disposal of surplus property so as—

7 (a) to assure the most effective use of such prop-  
8 erty for the purposes of war and national defense;

9 (b) to facilitate the transition of enterprises from  
10 wartime to peacetime production and of individuals  
11 from wartime to peacetime employment;

1 (c) to promote production, employment of labor,  
2 and utilization of the productive capacity, and the natu-  
3 ral and agricultural resources of the country;

4 (d) to avoid dislocations of the domestic economy  
5 and of international economic relations;

6 (e) to discourage monopolistic practices, preserve  
7 and strengthen the competitive position of small business;

8 (f) to foster the wide distribution of surplus com-  
9 modities to consumers at fair prices;

10 (g) to effect broad and equitable distribution of sur-  
11 plus property; and

12 (h) to realize the highest obtainable return for  
13 the Government consistent with the maintenance and  
14 encouragement of a healthy competitive economy.

15 DEFINITIONS

16 SEC. 2. As used in this Act—

17 (a) The term “Government agency” means any execu-  
18 tive department, board, bureau, independent commission,  
19 or other agency in the executive branch of the Federal  
20 Government, and any corporation wholly owned and con-  
21 trolled by the United States.

22 (b) The term “owning agency” means a Government  
23 agency having control of property at or before the time  
24 when it is determined to be surplus to the needs and responsi-  
25 bilities of that agency.

1 (c) The term "disposal agency" means any Govern-  
2 ment agency designated under this Act to handle disposition  
3 of one or more classes of surplus property.

4 (d) The term "property" means any interest in prop-  
5 erty, real or personal, owned by the United States or any  
6 Government agency, including, but not limited to, plants,  
7 facilities, equipment, machinery, accessories, parts, assem-  
8 blies, products, commodities, materials, and supplies of all  
9 kinds, whether new or used, and wherever located.

10 (e) The term "surplus property" means any property  
11 which has been determined to be surplus to the needs and  
12 responsibilities of the owning agency in accordance with  
13 section 7 of this Act.

14 (f) The term "contractor inventory" means (1) any  
15 property related to a terminated contract of any type with  
16 a Government agency or to a subcontract thereunder (except  
17 any machinery or equipment subject to a separate contract  
18 or contract article specifically governing its use or dis-  
19 position); and (2) any property acquired under a cost-  
20 plus-a-fixed-fee contract and in excess of the amounts needed  
21 to complete performance thereunder; and (3) any property  
22 which the Government is obligated to take over under any  
23 type of contract as a result of any change in the specifications  
24 or plans thereunder.

25 (g) The term "care and handling" includes repairing,



1 converting, rehabilitating, operating, maintaining, preserv-  
2 ing, protecting, insuring, storing, packing, handling, and  
3 transporting.

4 (h) The term "option" means any contractual right to  
5 retain or acquire any property at a price and upon terms  
6 prescribed or determined by the contract.

7 (i) The term "person" means any individual, corpora-  
8 tion, partnership, firm, association, trust, estate, or other  
9 entity.

10 (j) The term "Administrator" means the Surplus Prop-  
11 erty Administrator.

12 SURPLUS PROPERTY ADMINISTRATOR

13 SEC. 3. (a) There is hereby established the Surplus  
14 Property Administration which shall be headed by a Surplus  
15 Property Administrator. The Administrator shall be ap-  
16 pointed by the President by and with the consent of the  
17 Senate, shall receive compensation at the rate of \$12,000 per  
18 year, and shall serve for a term of two years.

19 (b) The Administrator may, within the limits of funds  
20 which may be made available, employ and fix the compen-  
21 sation of necessary personnel without regard to the provisions  
22 of the civil-service laws and the Classification Act of 1923  
23 and make expenditures for supplies, facilities, and services  
24 necessary for the performance of his functions under this Act.  
25 The Administrator shall perform the duties imposed upon

1 him through the personnel and facilities of the established  
2 Government agencies so far as consistent with his duty to  
3 insure uniform and efficient administration of the provisions  
4 of this Act.

5 (c) The Administrator shall have general supervision  
6 and direction over (1) the care and handling and disposi-  
7 tion of surplus property and (2) the transfer of surplus  
8 property between Government agencies.

9 SURPLUS PROPERTY BOARD

10 SEC. 4. There is hereby created a Surplus Property  
11 Advisory Board with which the Administrator shall advise  
12 and consult. The Board shall be composed of the Admin-  
13 istrator, who shall act as its Chairman, and of the Secre-  
14 tary of State, the Secretary of the Treasury, the Secretary  
15 of War, the Secretary of the Navy, the Attorney General,  
16 the Secretary of Commerce, the Secretary of the Interior,  
17 the Chairman of the Board of Directors of Smaller War  
18 Plants Corporation, the Chairman of the United States Mari-  
19 time Commission, the Chairman of the War Production  
20 Board, the Director of the Bureau of the Budget, the Admin-  
21 istrator of the War Food Administration, the Administrator  
22 of the Federal Works Agency, the Chairman of the Civil  
23 Aeronautics Board, and the Administrator of the Foreign  
24 Economic Administration, or any alternate or representative  
25 designated by any of them.

## SURVEILLANCE BY CONGRESS

SEC. 5. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study the reports and information submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

(b) Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Administrator shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

(c) The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this Act within thirty days after the effective date of such regulations.

## PLANNING

SEC. 6. (a) The Administrator shall formulate as rapidly as possible detailed plans—



(1) for the care and handling, and disposition of surplus property in accordance with this Act;

(2) for converting to civilian production by private industry as rapidly as war needs and conditions permit any Government-owned plants which are not needed for national defense and are capable of use for civilian production; and

(3) for facilitating the most economical use and disposition of Government-owned plants which are not needed for national defense but are not capable of use for civilian production.

(b) The Administrator shall make such studies as he deems necessary for the formulation of such plans or shall cause such studies to be made by other Government agencies.

#### DECLARATION OF SURPLUS PROPERTY

SEC. 7. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency.

(b) Each owning agency shall promptly report to the

1 appropriate disposal agency all surplus property in its con-  
2 trol which the owning agency does not dispose of under  
3 section 8.

4 DISPOSITION BY OWNING AGENCY

5 SEC. 8. (a) Any owning agency may dispose of any  
6 property for the purpose of war production or authorize any  
7 contractor with such agency or subcontractor thereunder to  
8 retain or dispose of any contractor inventories for the pur-  
9 pose of war production, subject only to the regulations of the  
10 Administrator with respect to price policies.

11 (b) Subject to subsection (c) of this section, any own-  
12 ing agency may dispose of—

13 (1) any property which is damaged or worn beyond  
14 economical repair;

15 (2) any waste, salvage, scrap, or other similar  
16 items;

17 (3) any products of industrial, research, agricul-  
18 tural, or livestock operations, or of any public works  
19 construction or maintenance project, carried on by such  
20 agency;

21 (4) any contractor inventory in its control; and

22 (5) any other class or type of surplus property  
23 designated by the Administrator.

24 (c) Whenever he deems such action necessary to effec-  
25 tuate the objectives and policies of this Act, the Administrator,

1 by regulations, shall restrict the authority of any owning  
2 agency to dispose of any class of surplus property under  
3 subsection (b) of this section.

4 DISPOSAL AGENCIES

5 SEC. 9. (a) The Administrator, by regulations, shall  
6 designate one or more Government agencies to act as dis-  
7 posal agencies under this Act and shall prescribe the class  
8 or classes of surplus property to be handled by each such  
9 agency: *Provided, however,* That the United States Maritime  
10 Commission shall be the sole disposal agency for merchant  
11 vessels or vessels capable of conversion to merchant use, and  
12 that such vessels shall be disposed of in accordance with the  
13 provisions of the Merchant Marine Act, 1936, as amended,  
14 and other laws authorizing the sale of such vessels.

15 (b) When any surplus property is reported to it under  
16 subsection (b) of section 7, the disposal agency shall have  
17 responsibility and authority for the disposition of such prop-  
18 erty, and for the care and handling of such property pending  
19 its disposition. Where any disposal agency is not prepared,  
20 at the time of its designation under this Act, to undertake  
21 the care and handling of such surplus property, the Adminis-  
22 trator may postpone the responsibility of the agency to  
23 assume its duty for care and handling for such period as  
24 he deems necessary to permit its preparation therefor, but

1 the owning agency shall be reimbursed, pursuant to sub-  
2 section (b) of section 17, for its expenses for the care and  
3 handling of such surplus property during such period.

4 (c) The Administrator, by regulations, shall prescribe  
5 policies, standards, methods, and procedures to govern the  
6 exercise by any disposal agency of its authority under sub-  
7 section (b) of this section.

#### 8 TRANSFERS BETWEEN AGENCIES

9 SEC. 10. (a) The Administrator shall establish pro-  
10 cedures to facilitate the transfer to each Government agency,  
11 for the performance of its functions, of surplus property of  
12 other Government agencies. Each Government agency shall  
13 make the fullest practicable use of surplus property in order  
14 to avoid unnecessary commercial purchases.

15 (b) The disposal agency responsible for any such prop-  
16 erty shall transfer it to the agency acquiring it at the fair  
17 value of the property as fixed by the disposal agency, under  
18 regulations of the Administrator, unless transfer without  
19 reimbursement or transfer of funds is otherwise authorized  
20 by law.

#### 21 METHODS OF DISPOSITION

22 SEC. 11. (a) Wherever any Government agency is  
23 authorized to dispose of property under this Act, then, not-  
24 withstanding the provisions of any other law but subject to  
25 the provisions of this Act, the agency may dispose of such



1 property by sale, exchange, lease, transfer, or other disposi-  
2 tion, for cash, credit, other property, or otherwise, with or  
3 without warranty, and upon such other terms and conditions,  
4 as the agency deems proper.

5 (b) Whenever the Government agency authorized to  
6 dispose of any property finds that it has no commercial value  
7 or that the cost of its handling and sale would exceed the  
8 estimated proceeds, the agency may donate such property  
9 to any agency or institution supported by the Federal Gov-  
10 ernment or any State or local government, or to any non-  
11 profit educational or charitable organization, or, if that is  
12 not feasible, shall destroy or otherwise dispose of such prop-  
13 erty.

14 (c) The Administrator, by regulations, shall prescribe  
15 such policies governing prices and other terms and condi-  
16 tions of dispositions under the authority of subsections (a)  
17 and (b) of this section, as he deems necessary to effectuate  
18 the objectives and policies of this Act.

19 (d) A deed, bill of sale, lease, or other instrument exe-  
20 cuted by or on behalf of any Government agency purporting  
21 to transfer title or any other interest in property under this  
22 Act shall be conclusive evidence of compliance with the pro-  
23 visions of this Act insofar as title or other interest of any  
24 bona fide purchasers for value is concerned.

## 1                    POLICIES GOVERNING DISPOSITION

2            SEC. 12. In formulating regulations to govern the care  
3 and handling and disposition of surplus property under this  
4 Act, the Administrator shall be guided by the objectives  
5 stated in section 1 of this Act, and shall give effect to the  
6 following policies to the extent feasible, and in the public  
7 interest:

8            (a) To facilitate transfers of surplus property of one  
9 Government agency to other Government agencies for their  
10 use.

11           (b) To afford public, governmental, educational, chari-  
12 table, and eleemosynary institutions and cooperative organi-  
13 zations an opportunity to fulfill their legitimate needs.

14           (c) To afford returning veterans an opportunity to estab-  
15 lish themselves as proprietors of agricultural and business  
16 enterprises.

17           (d) To afford smaller business concerns and agricul-  
18 tural enterprises generally an opportunity to acquire surplus  
19 property on equal terms with larger competitors; to prescribe  
20 regulations and issue directives necessary to provide as far  
21 as practicable for uniform and wide public notice concerning  
22 surplus property available for sale and for adequate time  
23 intervals between notice and sale so that all interested pur-  
24 chasers shall have a fair opportunity to buy; to utilize com-  
25 mercial channels of distribution to the extent consistent with

1 efficient and economic distribution, and to discourage sales  
2 to speculators; to collaborate with Smaller War Plants Cor-  
3 poration and to employ other appropriate means to give  
4 effect to this section.

5 (e) To afford former owners of surplus real property  
6 acquired by the Government by the exercise of its war powers  
7 an opportunity to reacquire such property.

8 (f) To encourage mutually beneficial trade relations with  
9 foreign nations and to develop foreign markets.

10 (g) To dispose of surplus property as promptly as feas-  
11 ible without fostering monopoly or restraint of trade, or  
12 unduly disturbing the economy, or encouraging hoarding  
13 of such property; and to facilitate prompt redistribution of  
14 such property to consumers.

15 (h) To realize the highest obtainable return for the  
16 Government from such surplus property, consistent with the  
17 policies and objectives set forth in this Act.

18 DISPOSITION OF PLANTS

19 SEC. 13. Nothing in this Act shall impair, amend, or  
20 modify the antitrust laws or limit or prevent their applica-  
21 tion to persons who buy or otherwise acquire property under  
22 the provisions of this Act. Upon the request of the Attor-  
23 ney General the Administrator or any other Government  
24 agency shall furnish or cause to be furnished to the Attorney

1 General such information as the Administrator or any such  
2 agency may possess which the Attorney General determines  
3 to be pertinent to the application of the antitrust laws to  
4 the disposition of surplus property under the provisions of  
5 this Act. As used in this section, the term "antitrust laws"  
6 includes the Act of July 2, 1890 (ch. 26, Stat. 209),  
7 as amended; the Act of October 15, 1914 (ch. 323, 38  
8 Stat. 730), as amended; the Federal Trade Commission  
9 Act; and the Act of August 27, 1894 (ch. 349, sec. 73,  
10 74, 28 Stat. 570), as amended.

11 SEC. 14. (a) No Government agency shall dispose of  
12 any surplus Government-owned plant for the production  
13 of synthetic rubber, or aluminum, which originally cost the  
14 Government \$5,000,000 or more, except in accordance with  
15 this section or pursuant to an option therefor.

16 (b) The Administrator may authorize any disposal  
17 agency to lease any such surplus plant for a term of not  
18 more than five years.

19 (c) The Administrator shall prepare and submit to  
20 Congress a report as to each class of such property—

21 (1) describing the number, cost, and location of  
22 such surplus plants and setting forth other descriptive  
23 information relative to the use and potential use thereof;

24 (2) outlining the economic problems that may be  
25 created by the disposition thereof;



(3) setting forth a plan or program for the care and handling, disposition, and use thereof consistent with the policies and objectives of this Act; and

(4) describing any steps already taken with respect to the care and handling, disposition, and use of the property, including any contracts relating thereto.

The Administrator shall request Government agencies to submit information and suggestions for use in the preparation of such reports and shall encourage States, political subdivisions thereof, and private persons to submit such information and suggestions, and he shall submit to the Congress, together with each such report, copies or summaries of such information and suggestions. After six months from the submission of a report hereunder, unless the Congress provides otherwise by law, the Administrator may authorize the appropriate disposal agencies to dispose of such property in accordance with the plan or program proposed in the report to Congress.

(d) The Administrator may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by subsection (a) of this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as

1 an integral part of a privately owned plant and not capable  
2 of economic operation as a separate and independent unit.

3 REGULATIONS

4 SEC. 15. The Administrator shall prescribe regulations  
5 to effectuate the provisions of this Act. Each Government  
6 agency shall carry out such regulations of the Administrator  
7 expeditiously, and shall issue such regulations with respect  
8 to its operations and procedures as may be necessary for  
9 that purpose. Any Government agency may issue such  
10 further regulations not inconsistent with the regulations of  
11 the Administrator as it deems necessary and desirable to  
12 carry out the provisions of this Act. The regulations pre-  
13 scribed under this Act shall be published in the Federal  
14 Register.

15 GENERAL PROVISIONS

16 SEC. 16. (a) Each Government agency shall submit to  
17 the Administrator (1) such information and reports with  
18 respect to surplus property in its control, in such form and  
19 at such times as the Administrator may direct; and (2) in-  
20 formation and reports with respect to other property in its  
21 control, to such extent, and in such form as the agency  
22 deems consistent with national security.

23 (b) Any Government agency may execute such docu-  
24 ments for the transfer of title or other interest in property  
25 or take such other action as it deems necessary or proper

1 to transfer or dispose of surplus property or otherwise to  
2 carry out the provisions of this Act, and shall do so to the  
3 extent required by the regulations of the Administrator.

4 (c) Where any property is disposed of in accordance  
5 with this Act and any regulations prescribed under this Act,  
6 no officer or employee of the Government shall (1) be liable  
7 with respect to such disposition except for his own fraud or  
8 (2) be accountable for the collection of any purchase price  
9 which is determined to be uncollectible by the agency re-  
10 sponsible therefor.

11 (d) Any interested Government agency may take such  
12 action for the care and handling of property subject to dis-  
13 position under this Act, and for completion of any semi-  
14 fabricated property, as it deems necessary or desirable to  
15 effectuate the objectives and policies of this Act.

16 (e) Each disposal agency shall maintain in each of its  
17 disposal offices such records of its inventories of surplus prop-  
18 erty and of each disposal transaction negotiated by that office  
19 as the Administrator may prescribe. The information in  
20 such records shall be available at all reasonable times for  
21 public inspection.

22 (f) Nothing in this Act shall be deemed to impair or  
23 modify any contract or any term or provision of any contract  
24 without the consent of the contractor, if the contract or the  
25 term or provision thereof is otherwise valid.



## 1 DISPOSITION OF PROCEEDS

2 SEC. 17. (a) All proceeds from any transfer or disposi-  
3 tion of property under this Act shall be deposited and cov-  
4 ered into the Treasury as miscellaneous receipts, except as  
5 provided in subsections (b), (c), (d), and (e) of this  
6 section.

7 (b) From the proceeds of such transfers or dispositions,  
8 the agency may deduct all expenses incurred for the care  
9 and handling, completion, and transfers or dispositions of  
10 such property under this Act, and may reimburse the fund  
11 or appropriation bearing such expenses, or the corresponding  
12 fund or appropriation currently available at the time of  
13 reimbursement.

14 (c) Where the property transferred or disposed of was  
15 acquired by the use of funds either not appropriated from  
16 the general fund of the Treasury or appropriated from the  
17 general fund of the Treasury but by law reimbursable from  
18 assessment, tax, or other revenue or receipts, then upon the  
19 request of the interested agency the proceeds of the disposi-  
20 tion or transfer remaining after any deductions under sub-  
21 section (b) of this section shall be credited to the reim-  
22 bursable fund or appropriation or paid to the owning agency.

23 (d) To the extent authorized by the Administrator,  
24 any Government agency disposing of property under this  
25 Act (1) may deposit, in a special account with the Treasurer



1 of the United States, such amount of the proceeds of such  
2 dispositions as it deems necessary to permit appropriate  
3 refunds to purchasers when any disposition is rescinded or  
4 does not become final, or payments for breach of any war-  
5 ranty, and (2) may withdraw therefrom amounts so to be  
6 refunded or paid, without regard to the origin of the funds  
7 withdrawn.

8 (e) Where a contract or subcontract authorizes the  
9 proceeds of any sale of property in the custody of the con-  
10 tractor or subcontractor to be credited to the price or cost  
11 of the work covered by such contract or subcontract, the  
12 proceeds of any such sale shall be credited in accordance  
13 with the contract or subcontract and shall not be subject to  
14 subsection (a) of this section.

15 USE OF APPROPRIATED FUNDS

16 SEC. 18. (a) Any Government agency is authorized to  
17 use for the disposition of property under this Act and for its  
18 completion, care, and handling, pending such disposition,  
19 any funds heretofore or hereafter appropriated, allocated, or  
20 available to it for such purposes or for the purpose of pro-  
21 duction or procurement of such property.

22 (b) Any Government agency is authorized to use in  
23 payment for the transfer to it of any surplus property under  
24 this Act any funds heretofore or hereafter appropriated, allo-

1 cated, or available to it for the acquisition of property of the  
2 same kind.

3 (c) There are authorized to be appropriated such sums  
4 as may be necessary or appropriate for administering the  
5 provisions of this Act.

6 DELEGATION OF AUTHORITY

7 SEC. 19. (a) The Administrator may delegate any au-  
8 thority and discretion conferred upon him by this Act to  
9 any Deputy Administrator, and may delegate such authority  
10 and discretion, upon such terms and conditions as he may  
11 prescribe, to the head of any Government agency to the  
12 extent necessary to the handling and solution of problems  
13 peculiar to that agency.

14 (b) The head of any Government agency may delegate,  
15 and authorize successive redelegations of, any authority and  
16 discretion conferred upon him or his agency by or pursuant  
17 to this Act to any officer, agent, or employee of such agency  
18 or, with the approval of the Administrator, to any other  
19 Government agency.

20 (c) Any two or more Government agencies may exer-  
21 cise jointly any authority and discretion conferred upon each  
22 of them individually by or pursuant to this Act.

23 APPLICABILITY

24 SEC. 20. All policies and procedures relating to surplus

1 property prescribed by the Surplus War Property Adminis-  
2 tration, created by Executive Order Numbered 9425, dated  
3 February 19, 1944, or any other Government agency, in  
4 effect upon the effective date of this Act, and not inconsistent  
5 with this Act, shall remain in full force and effect unless  
6 and until superseded by regulations of the Administrator or  
7 of the agency in accordance with this Act.

8 SEC. 21. (a) Nothing in this Act shall limit or affect  
9 the authority of commanders in active theaters of military  
10 operations to dispose of property in their control.

11 (b) The provisions of this Act shall be applicable to  
12 dispositions of property within the United States and else-  
13 where, but the Administrator may exempt from some or  
14 all of the provisions hereof, dispositions of property located  
15 outside of the continental United States or in Alaska, when-  
16 ever he deems that such provisions would obstruct the efficient  
17 and economic disposition of such property in accordance with  
18 the objectives of this Act.

19 SEC. 22. (a) The authority conferred by this Act is  
20 in addition to any authority conferred by any other law and  
21 shall not be subject to the provisions of any law inconsistent  
22 herewith. This Act shall not impair or affect any authority  
23 for the disposition of property under any other law, except  
24 that the Administrator may prescribe regulations to govern

1 any disposition of surplus property under any such authority  
2 to the same extent as if the disposition were made under this  
3 Act, whenever he deems such action necessary to effectuate  
4 the objectives and policies of this Act.

5 (b) Nothing in this Act shall impair or affect the pro-  
6 visions of the Emergency Price Control Act of 1942, as  
7 amended; or the Act of October 2, 1942 (ch. 578, 56 Stat.  
8 765), as amended; or of section 301 of the Second War  
9 Powers Act, 1942; or of the Act of March 11, 1941 (55  
10 Stat. 31), as amended; or Acts supplemental thereto, or of  
11 any law regulating the exportation of property from the  
12 United States.

13 EFFECTIVE DATE; EXPIRATION

14 SEC. 23. This Act shall become effective from the date  
15 of its enactment. Unless extended by law, this Act shall  
16 expire at the end of three years following the date of the  
17 cessation of hostilities in the present war, as proclaimed by  
18 the President or by concurrent resolution of the two Houses  
19 of Congress.

20 SEPARABILITY OF PROVISIONS

21 SEC. 24. If any provision of this Act, or the application  
22 of such provision to any person or circumstance, is held  
23 invalid, the remainder of this Act or the application of such  
24 provision to persons or circumstances other than those as to  
25 which it is held invalid, shall not be affected thereby.



1	SHORT TITLE
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2        SEC. 25. This Act may be cited as the “Surplus  
3    Property Act of 1944”.

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 5125**

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## **A BILL**

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To provide for the disposal of surplus Government property and plants, and for other purposes.

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By Mr. COLMER

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JUNE 23, 1944

Referred to the Committee on Expenditures in the  
Executive Departments







LEGISLATIVE Please return to .  
**SURPLUS PROPERTY ACT OF 1944**

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**HEARINGS**

**BEFORE THE**

**COMMITTEE ON EXPENDITURES IN THE  
EXECUTIVE DEPARTMENTS  
HOUSE OF REPRESENTATIVES  
SEVENTY-EIGHTH CONGRESS**

**SECOND SESSION**

**ON**

**H. R. 5125**

**A BILL TO PROVIDE FOR THE DISPOSAL OF SURPLUS  
GOVERNMENT PROPERTY AND PLANTS**

---

**AUGUST 7, 8, AND 9, 1944**



**UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1944**

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE  
DEPARTMENTS

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# SURPLUS PROPERTY ACT OF 1944

MONDAY, AUGUST 7, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON EXPENDITURES  
IN THE EXECUTIVE DEPARTMENTS,  
Washington, D. C.

## EXECUTIVE SESSION

The committee met at 10 a. m., Hon. Carter Manasco (chairman) presiding.

The CHAIRMAN. The committee will please come to order.

We have met this morning to consider H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes.

(The bill referred to is as follows:)

[H. R. 5125, 78th Cong., 2d sess.]

A BILL To provide for the disposal of surplus Government property and plants, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for the purposes of war and national defense;

(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(c) to promote production, employment of labor, and utilization of the productive capacity, and the natural and agricultural resources of the country;

(d) to avoid dislocations of the domestic economy and of international economic relations;

(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

(g) to effect broad and equitable distribution of surplus property; and

(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

## DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Government agency" means any executive department, board, bureau, independent commission, or other agency in the executive branch of the Federal Government, and any corporation wholly owned and controlled by the United States.

(b) The term "owning agency" means a Government agency having control of property at or before the time when it is determined to be surplus to the needs and responsibilities of that agency.

(c) The term "disposal agency" means any Government agency designated under this Act to handle disposition of one or more classes of surplus property.

(d) The term "property" means any interest in property, real or personal, owned by the United States or any Government agency, including, but not limited to, plants, facilities, equipment, machinery, accessories, parts, assemblies, products, commodities, materials, and supplies of all kinds, whether new or used, and wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 7 of this Act.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder (except any machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition); and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "Administrator" means the Surplus Property Administrator.

#### SURPLUS PROPERTY ADMINISTRATOR

SEC. 3. (a) There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the consent of the Senate, shall receive compensation at the rate of \$12,000 per year, and shall serve for a term of two years.

(b) The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel without regard to the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. The Administrator shall perform the duties imposed upon him through the personnel and facilities of the established Government agencies so far as consistent with his duty to insure uniform and efficient administration of the provisions of this Act.

(c) The Administrator shall have general supervision and direction over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies.

#### SURPLUS PROPERTY BOARD

SEC. 4. There is hereby created a Surplus Property Advisory Board with which the Administrator shall advise and consult. The Board shall be composed of the Administrator, who shall act as its Chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Chairman of the Board of Directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Director of the Bureau of the Budget, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Foreign Economic Administration, or any alternate or representative designated by any of them.

#### SURVEILLANCE BY CONGRESS

SEC. 5. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study the reports and information submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.



(b) Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Administrator shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

(c) The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this Act within thirty days after the effective date of such regulations.

#### PLANNING

SEC. 6. (a) The Administrator shall formulate as rapidly as possible detailed plans—

(1) for the care and handling, and disposition of surplus property in accordance with this Act;

(2) for converting to civilian production by private industry as rapidly as war needs and conditions permit any Government-owned plants which are not needed for national defense and are capable of use for civilian production; and

(3) for facilitating the most economical use and disposition of Government-owned plants which are not needed for national defense but are not capable of use for civilian production.

(b) The Administrator shall make such studies as he deems necessary for the formulation of such plans or shall cause such studies to be made by other Government agencies.

#### DECLARATION OF SURPLUS PROPERTY

SEC. 7. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency.

(b) Each owning agency shall promptly report to the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 8.

#### DISPOSITION BY OWNING AGENCY

SEC. 8. (a) Any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production, subject only to the regulations of the Administrator with respect to price policies.

(b) Subject to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any products of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

(4) any contractor inventory in its control; and

(5) any other class or type of surplus property designated by the Administrator.

(c) Whenever he deems such action necessary to effectuate the objectives and policies of this Act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### DISPOSAL AGENCIES

SEC. 9. (a) The Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies under this Act and shall prescribe the class or classes of surplus property to be handled by each such agency: *Provided, however,* That the United States Maritime Commission shall be the sole

disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(b) When any surplus property is reported to it under subsection (b) of section 7, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition. Where any disposal agency is not prepared, at the time of its designation under this Act, to undertake the care and handling of such surplus property, the Administrator may postpone the responsibility of the agency to assume its duty for care and handling for such period as he deems necessary to permit its preparation therefor, but the owning agency shall be reimbursed, pursuant to subsection (b) of section 17, for its expenses for the care and handling of such surplus property during such period.

(c) The Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.

#### TRANSFERS BETWEEN AGENCIES

SEC. 10 (a) The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### METHODS OF DISPOSITION

SEC. 11 (a) Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions as the agency deems proper.

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property.

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this Act.

(d) A deed, a bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value is concerned.

#### POLICIES GOVERNING DISPOSITION

SEC. 12. In formulating regulations to govern the care and handling and disposition of surplus property under this Act, the Administrator shall be guided by the objectives stated in section 1 of this Act, and shall give effect to the following policies to the extent feasible, and in the public interest:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

(b) To afford public, governmental, educational, charitable, and eleemosynary institutions and cooperative organizations an opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural and business enterprises.

(d) To afford smaller business concerns and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors;

to prescribe regulations and issue directives necessary to provide as far as practicable for uniform and wide public notice concerning surplus property available for sale and for adequate time intervals between notice and sale so that all interested purchasers shall have a fair opportunity to buy; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage sales to speculators; to collaborate with Smaller War Plants Corporation and to employ other appropriate means to give effect to this section.

(e) To afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property.

(f) To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets.

(g) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(h) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

#### DISPOSITION OF PLANTS

Sec. 13. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit or prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. Upon the request of the Attorney General the Administrator or any other Government agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or any such agency may possess which the Attorney General determines to be pertinent to the application of the antitrust laws to the disposition of surplus property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 26, Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, sec. 73, 74, 28 Stat. 570), as amended.

Sec. 14. (a) No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which originally cost the Government \$5,000,000 or more, except in accordance with this section or pursuant to an option therefor.

(b) The Administrator may authorize any disposal agency to lease any such surplus plant for a term of not more than five years.

(c) The Administrator shall prepare and submit to Congress a report as to each class of such property—

(1) describing the number, cost, and location of such surplus plants and setting forth other descriptive information relative to the use and potential use thereof;

(2) outlining the economic problems that may be created by the disposition thereof;

(3) setting forth a plan or program for the care and handling, disposition, and use thereof consistent with the policies and objectives of this Act; and

(4) describing any steps already taken with respect to the care and handling, disposition, and use of the property, including any contracts relating thereto.

The Administrator shall request Government agencies to submit information and suggestions for use in the preparation of such reports and shall encourage States, political subdivisions thereof, and private persons to submit such information and suggestions, and he shall submit to the Congress, together with each such report, copies or summaries of such information and suggestions. After six months from the submission of a report hereunder, unless the Congress provides otherwise by law, the Administrator may authorize the appropriate disposal agencies to dispose of such property in accordance with the plan or program proposed in the report to Congress.

(d) The Administrator may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by subsection (a) of this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(3) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.



## REGULATIONS

SEC. 15. The Administrator shall prescribe regulations to effectuate the provisions of this Act. Each Government agency shall carry out such regulations of the Administrator expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary for that purpose. Any Government agency may issue such further regulations not inconsistent with the regulations of the Administrator as it deems necessary and desirable to carry out the provisions of this Act. The regulations prescribed under this Act shall be published in the Federal Register.

## GENERAL PROVISIONS

SEC. 16. (a) Each Government agency shall submit to the Administrator (1) such information and reports with respect to surplus property in its control, in such form and at such times as the Administrator may direct; and (2) information and reports with respect to other property in its control, to such extent, and in such form as the agency deems consistent with national security.

(b) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of surplus property or otherwise to carry out the provisions of this Act, and shall do so to the extent required by the regulations of the Administrator.

(c) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

(d) Any interested Government agency may take such action for the care and handling of property subject to disposition under this Act, and for completion of any semifabricated property, as it deems necessary or desirable to effectuate the objectives and policies of this Act.

(e) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Administrator may prescribe. The information in such records shall be available at all reasonable times for public inspection.<sup>6</sup>

(f) Nothing in this Act shall be deemed to impair or modify any contract or any term or provision of any contract without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

## DISPOSITION OF PROCEEDS

SEC. 17. (a) All proceeds from any transfer or disposition of property under this Act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) From the proceeds of such transfers or dispositions, the agency may deduct all expenses incurred for the care and handling, completion, and transfers or dispositions of such property under this Act, and may reimburse the fund or appropriation bearing such expenses, or the corresponding fund or appropriation currently available at the time of reimbursement.

(c) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the proceeds of the disposition or transfer remaining after any deductions under subsection (b) of this section shall be credited to the reimbursable fund or appropriation or paid to the owning agency.

(d) To the extent authorized by the Administrator, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(e) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.



## USE OF APPROPRIATED FUNDS

SEC. 18. (a) Any Government agency is authorized to use for the disposition of property under this Act and for its completion, care, and handling, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for such purposes or for the purpose of production or procurement of such property.

(b) Any Government agency is authorized to use in payment for the transfer to it of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

## DELEGATION OF AUTHORITY

SEC. 19. (a) The Administrator may delegate any authority and discretion conferred upon him by this Act to any Deputy Administrator, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Administrator, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

## APPLICABILITY

SEC. 20. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations of the Administrator or of the agency in accordance with this Act.

SEC. 21. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Administrator may exempt from some or all of the provisions hereof, dispositions of property located outside of the continental United States or in Alaska, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

SEC. 22. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Administrator may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever he deems such action necessary to effectuate the objectives and policies of this Act.

(b) Nothing in this Act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; or the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; or of section 301 of the Second War Powers Act, 1942; or of the Act of March 11, 1941 (55 Stat. 31), as amended; or Acts supplemental thereto, or of any law regulating the exportation of property from the United States.

## EFFECTIVE DATE; EXPIRATION

SEC. 23. This Act shall become effective from the date of its enactment. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

## SEPARABILITY OF PROVISIONS

SEC. 24. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

## SHORT TITLE

SEC. 25. This Act may be cited as the "Surplus Property Act of 1944."

The CHAIRMAN. We have invited to be present this morning the members of the subcommittee of the Special House Committee on Post-war Economic Policy and Planning, who have been making a study of this subject, to give us the benefit of the studies they have been making for the past few months.

(Discussion off the record.)

The CHAIRMAN. We will be glad at this time to have a statement from Mr. Colmer, the chairman of the House Special Committee on Post-war Economic Policy and Planning.

**STATEMENT OF HON. WILLIAM M. COLMER, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF MISSISSIPPI, AND CHAIR-  
MAN OF HOUSE SPECIAL COMMITTEE ON POST-WAR ECO-  
NOMIC POLICY AND PLANNING**

Mr. COLMER. Mr. Chairman and members of the committee, in reference to the bill you have under consideration, H. R. 5125, as you know, this special committee was set up by the House to make studies of these various phases of the post-war economic policy and planning, but the committee, of course, has no legislative jurisdiction.

The committee has, for the past 6 or 8 months, been conducting hearings on the general, over-all post-war problems.

On the question of the disposal of surplus Government property, the Post-war Planning Committee of the House and the Post-war Planning Committee of the Senate had some joint sessions at which Mr. Clayton appeared, and at which every department of the Government was represented. They all appeared before the joint committee of the Senate and the House and those hearings are printed.

In addition to that, we had Mr. Clayton appear twice before our Post-war Planning Committee on this subject.

Also, Mr. Manasco, your distinguished chairman of this committee, the Committee on Expenditures in Executive Departments, as chairman of a subcommittee of the House Committee on Public Buildings and Grounds, of which the gentleman from Texas, Mr. Lanham, is chairman, made some extensive studies of this matter, and the hearings held by that subcommittee are all printed.

As a result of those hearings, particularly the hearings before the two post-war committees in joint session, this bill which you have before you this morning was drafted and introduced, and it is now before you for the consideration of your committee, to which it was referred.

In view of all that, and in view of the time element involved, we do not believe that there is any necessity for going into extensive hearings on this bill. Of course, we are your guests here and we are not attempting to run your committee or to tell you how to run it, but that is our thought, and is also the thought of the leadership.

I might also say this: As you recall, there was a bill passed, a rather small bill, which passed the House more than a year ago, on this subject, which has been in the Senate since that time.

We think that this bill is a pretty good bill. We think it is rather comprehensive. Of course, it is not a perfect bill, and there are some changes that possibly should be made. In fact, I have in mind a few I would like to see made.

But I do believe, and I think you will agree with me, that rather than proceed as some have suggested, if we leave this matter to the Senate now and let the Senate pass another bill and put it on the bill we passed last year, which was not a comprehensive bill, and then let the final draft be written in conference, that perhaps the House would not be doing its full service and making its full contribution in this matter. Then this bill would be practically written in conference and we would have very little to say about it in the House.

In addition to that, the Senate is attacking rather vigorously some other problems involved in this whole demobilization plan.

I want to say this, in addition, Mr. Chairman. During the past week we have had some conferences on the Hill with the leadership, and I think I can say without divulging any secrets, that the idea of leadership is to try to dispose of this legislation, the surplus property legislation, the whole over-all demobilization bill, and the question of social security and unemployment compensation, having those subjects in two or three bills, and then recessing around the first of September until after the elections.

Mr. COCHRAN. I would like to ask the chairman if he was at these conferences to which Mr. Colmer referred?

The CHAIRMAN. Not all of them.

Mr. COCHRAN. Who were at the conferences? Do you not think some members of this committee should have been asked to attend the conferences that were held, at which they decided what this committee was to do and what it was not to do?

Mr. COLMER. Possibly so, but being an invited guest myself, I would be a little hesitant about passing an opinion on the question.

Mr. BENDER. Who is on the subcommittee that has been referred to?

Mr. COLMER. The subcommittee consists of Mr. Walter, Mr. Zimmerman, Mr. Worley, Mr. Reece, of Tennessee, Mr. Hope, and Mr. Wolcott.

Mr. BENDER. Is this bill satisfactory to your committee?

Mr. COLMER. I cannot undertake—

Mr. GOSSETT. You stated you had some suggestions or amendments. I think you might give us the benefit of those suggestions, if you will defer that answer for a moment. You are talking about procedures?

Mr. COLMER. Yes. That, Mr. Chairman, pretty largely completes my own statement. We have here this morning Mr. Folsom, who is the director of our committee staff, and who, with your permission, I am going to ask to make a statement about the bill.

Mr. COCHRAN. Before he does that, I would like to ask a question.

You stated you felt there should be some amendments to this bill. I read part 1 of the hearings of your committee, particularly the testimony of Mr. Clayton, in which he suggested certain changes in the bill. Are the changes that Mr. Clayton suggested before this joint committee embodied in this bill?



Mr. FOLSOM. Yes; they are.

Mr. COCHRAN. As he recommended them?

Mr. FOLSOM. Yes.

Mr. COCHRAN. I want to say that for a year or more I have been trying to get the Senate to do something about this. It has only been in the last 10 days that anybody took the initiative in an effort to get some of this war legislation out.

That followed the statement of Justice Byrnes, and I think I was a little bit responsible for some of that activity.

Mr. COLMER. From what I know about it, you were the one.

Mr. COCHRAN. I have talked to Lister Hill not once, but a dozen times, about the bill that this committee reported and the House passed. I have pleaded with him to get something done.

Unfortunately, I was not here when the bill was passed, or when the hearings were held. I was ill. But I did read the Record at the time, and I think Mr. Whittington did a fine job in the way he handled that bill at that time.

The President repeatedly has asked Congress to do something, but Congress did not do it.

Then, under his war powers the President set up this agency with Mr. Clayton at the head of it, and not only the President but Mr. Clayton have appealed to Congress to do something, to accept our responsibility rather than having that handled under an Executive order.

We are having this hearing today, and the Senate will first take up the Kilgore-Murray-George bill today or tomorrow. I do not know when this bill might be reported in the Senate, but it was my thought, as I expressed it to you that we are entitled to some consideration on this side of the Capitol, in view of the fact that we initiated it, regardless of the merits of the bill passed by the House.

I do not care what the membership of the committee want to do about it, but it seems to me the Senate should pay a little attention to the House in connection with this legislation, putting in their own language if they want to do that.

Mr. COLMER. If you will permit, let me say I am in thorough accord with that statement.

I think since this bill that was passed does not meet the situation, and since we have the ball, so to speak, on this legislation, it seems to me we ought to go ahead with it rather than leave it to the Senate.

(Discussion off the record.)

Mr. COLMER. Of course, we cannot control the action that the Senate may take, but we can control our own action, and I think we should take some action and not wait for the Senate.

Mr. Chairman, that about completes my statement. Of course, we are not trying to tell you what to do; we are here to cooperate with you in any way we can.

But as I said, I do not think there is any occasion for extended hearings. I cannot see any reason for any public hearings. But if the joint committees want to call on any representatives of any department, or anybody else, I think that should be done. But if you open up this matter and have open hearings I think you will be here indefinitely.

Mr. BENDER. I would like to know, and I think the members of this committee would like to know whether the members of your com-



mittee who are here are in accord with the views expressed by the chairman of the special committee?

I have every confidence in the membership of this subcommittee, but I would like to know on what points they disagree, if there are any such, or if they are in complete accord.

Mr. Hope. Mr. Zimmerman, Mr. Walter, and Mr. O'Brien are here, and I would like to know if they have any questions about this matter. If there is not any disagreement I think we will save a lot of time by going ahead.

Mr. WALTER. Mr. Chairman, may I suggest that if you will permit Mr. Folsom to make a statement in reference to this matter and explain the bill, I think that at the conclusion of his statement you will be convinced that nothing can be gained by holding further hearings. This whole subject has been so thoroughly gone into that I am sure Mr. Folsom will be able to so enlighten you that you will be convinced that there is no necessity for further hearings.

Mr. COCHRAN. Let me ask this question before we proceed, and I think this will answer Mr. Bender's question. Are the sentiments that are going to be expressed by Mr. Folsom the sentiments of your committee?

Mr. WALTER. That is true.

Mr. COCHRAN. Then he is speaking for your committee, and there is no disagreement among the members of your committee in reference to any suggestion he might make as to changes?

Mr. WALTER. That is right.

Mr. HOPE. I do not understand that the committee has agreed as to every line and syllable in this bill, but I think I can say that we are in general accord with what has been put in this bill as being a working basis for consideration. I think we are all agreed on that.

Mr. McCONNELL. May I ask Mr. Colmer a question?

The CHAIRMAN. Certainly.

Mr. McCONNELL. In the hearings to which you referred, when you heard Mr. Clayton and representatives of Government departments, were they the only ones represented?

Mr. COLMER. I think that is correct.

Mr. McCONNELL. There were just Government men there; no outsiders?

Mr. WALTER. That was at the joint sessions. I think on the general proposition we heard a number of people. We heard from labor and from employers.

Mr. McCONNELL. I understood Mr. Wilson, of General Motors, appeared?

Mr. COLMER. He did.

Mr. WALTERS. As a matter of fact, changes in the bill were submitted to the National Association of Manufacturers and the chamber of commerce.

Mr. COLMER. We also had Mr. Green, of the American Federation of Labor, and invited Mr. Murray, but he did not come down.

Mr. COCHRAN. Mr. Chairman, I would suggest that a letter be sent to the chairman of every committee of the House that has held hearings on this subject, asking them to take this bill and review it and submit to us immediately any suggestions they have in reference to this bill, with a statement as to why they feel that such changes that they may suggest should be made.

The CHAIRMAN. Some of the chairmen of committees are not in the city.

Mr. COLMER. May I suggest that would be a splendid idea if you had the time to do it. I would be in thorough accord with that if you will place a time limit on their replies.

(Discussion off the record.)

Mr. COCHRAN. If we are going to report this bill I think the chairmen of other committees who have had bills relating to this subject should be on record so we will not have a fight on the floor of the House in reference to amendments.

The CHAIRMAN. Let us hear Mr. Folsom's views and then we can proceed to work out a bill.

Mr. Folsom, will you give the reporter your full name and state the position you occupy.

**STATEMENT OF MARION B. FOLSOM, DIRECTOR OF STAFF,  
SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND  
PLANNING, HOUSE OF REPRESENTATIVES**

Mr. FOLSOM. My name is Marion B. Folsom; I am director of the staff of the Special Committee on Post-war Economic Policy and Planning of the House of Representatives.

Mr. BENDER. What has been your experience?

Mr. FOLSOM. I am treasurer of the Eastman Kodak Co.

I thought it would be well to give you the background of this bill.

The Post-war Planning Committee began its hearings in March on the whole question of post-war legislation.

One of the first witnesses was Mr. Clayton, who discussed the question of surplus property. At that time he recommended to the committee that no action be taken in regard to legislation to dispose of surplus property until he had had a chance to find out what the problems were. He had been appointed only a short time before that and did not then know what legislation was desirable. We have had, in the meantime, a number of witnesses before the committee, among them some of the best informed people in the country on the general post-war problems.

Practically all of these witnesses stressed the need for legislation to provide for the disposition of surplus property. We have collected a lot of valuable information on the subject from various witnesses. These witnesses included, among others, Mr. Donald M. Nelson; representatives of the armed forces; Mr. William Batt, of the National Planning Association; Mr. Charles E. Wilson, president of General Motors; and Mr. Eric Johnston, president of the United States Chamber of Commerce. In addition, the members of the subcommittee visited some of the war plants to get first-hand knowledge of the problems involved in the disposition of surplus supplies and plants.

Mr. Clayton told us, in the latter part of May, that he was ready to talk about the kind of legislation he would recommend.

In order to speed up the whole process, he suggested that the staff of the Post-war Committee meet with the representatives of the agencies and also the staff of the Post-war Committee of the Senate.

We had several conferences at which representatives of the various agencies were present to discuss tentative proposals submitted for legislation, and they finally agreed on the draft of a bill.

Dr. A. D. H. Kaplan, who had been acting as consultant for the House Post-war Committee, and who had been studying the whole question of surplus property for several months, participated in these conferences. The bill as finally drafted received the unanimous approval of all the agencies concerned with the problems, with the exception of the Smaller War Plants Corporation. Mr. Maverick, the Chairman of the Board of Directors of the Smaller War Plants Corporation, disagreed with a number of the provisions.

The suggested draft was submitted by Mr. Clayton to the Post-war Committees of the House and Senate at two joint hearings. Representatives of several agencies also appeared. Your committee has been furnished copies of the hearings which cover the statements of Mr. Clayton and the representatives of various agencies and the discussions. Several changes were made in the draft as a result of these discussions.

This bill (H. R. 5125) was introduced by Mr. Colmer in June, and incorporates the provisions of the bill recommended by Mr. Clayton, with two exceptions.

In the first place, the language was changed slightly in listing the objectives and policies.

The second change will probably cause some discussion. The bill as originally drafted stated that each agency should itself determine whether property was surplus. There is no question about the desirability of that provision during wartime, but a number of people think that when the war is over that someone else besides the owning agency should have something to do with determining what is surplus.

The CHAIRMAN. That is section 7?

Mr. FOLSOM. Yes. So, as a basis for discussion we presented it in this form, providing that after the war is over the Administrator should have power to review the decisions of the agencies.

The CHAIRMAN. Do you not think that is a dangerous proposition?

Mr. FOLSOM. That is a question that I do not think we could dispose of now, but there are good arguments pro and con. It is a question which ought to be thoroughly discussed. A number of people feel that it is desirable for someone, especially concerned with the civilian economy, to have something to say about the release of this surplus property. You might find some particular agency holding a good deal of surplus property for years in order to meet some possible contingency that might never arise, and in the meantime the civilian economy might be badly in need of it.

The CHAIRMAN. I would like to ask you one or two questions on that particular subject.

Mr. FOLSOM. Yes.

The CHAIRMAN. Under the provisions of this bill would not the Surplus Property Administrator have the authority to go to the Commodity Credit Corporation, for example—even though the Congress had passed laws prohibiting the dumping of cotton, wheat, and corn—yet would not the Surplus Property Administrator under the provisions of section 7 have authority to sell that cotton, wheat, or corn?



Mr. FOLSOM. I think probably he could.

The CHAIRMAN. That is the reason I think it is a dangerous provision.

Mr. FOLSOM. It could be limited probably to materials acquired for war purposes.

The CHAIRMAN. This bill, as I interpret it, gives the Surplus Property Administrator the authority to sell any surplus property. It is not confined to war materials, so that he could go into the Department of Interior and say that the national parks have too much land.

Mr. COCHRAN. It seems to me that question is covered in section 7, which states:

For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency.

The CHAIRMAN. I understand that gives authority to the Administrator to go to the Department of Interior and say that the national parks own surplus property above their needs.

Mr. COCHRAN. This concluding provision of that section provides that the Administrator can require that such determination be made.

The CHAIRMAN. That makes it mandatory.

Mr. COCHRAN. To make the determination, but it does not authorize him to determine what is surplus.

Mr. COLMER. May I interpose for a moment?

The CHAIRMAN. Yes.

Mr. COLMER. Of course we all agree that during the war the War Department, the Navy Department, and everybody else in like position must have exclusive determination of what they need, and there was no thought to try to interfere with them. But when the war is over, you and I know the tendency of these war agencies to hold on to everything. My idea is that we ought to have a civilian rather than a serviceman to say what was surplus, because of the tendency to hold on to everything. You and I know, regardless of when we may have another war, that it will hardly be within 5 years.

The CHAIRMAN. We hope not.

Mr. COLMER. Most of this stuff will be obsolete, and I know the tendency of these war agencies to hold on to everything, their inclination not to dispose of anything. They do not have the responsibility of pay rolls and so forth, and the thought is we should have somebody else in there.

I think at the proper time, when we go through this bill section by section, we ought to have the fullest debate on that thing and consider any clarifying amendments that are necessary with reference to it, but I do think the idea is fundamentally sound.

The CHAIRMAN. My feeling, Mr. Colmer, with respect to that provision is that we might have some Surplus Property Administrator 2 or 3 years from now who is an extreme pacifist. Of course, none of us like war—but we might have someone who would go so far as to absolutely destroy the effectiveness of the armed forces.

Mr. COCHRAN. If you will refer to the hearing, on page 16, you will find Senator Hawkes asks the very question you have asked of Mr. Clayton, who was the witness. His question was:



Have you anything in this bill further on which would give the Administrator the right to determine what property is surplus property, even though the owning agency does not decide that it is?

Mr. Clayton, responding at the top of page 17:

No; we have not.

The CHAIRMAN. Mr. Colmer, that was not in the draft of the bill that Mr. Clayton prepared?

Mr. COLMER. That was put in subsequently to that.

Mr. GOSSETT. I think there is a great deal to be said for your suggestion, Mr. Chairman, but you will recall as an example, that the C. C. C. was liquidated, its equipment was stored up, and many trucks and surplus property all over the country left to rust out. I can anticipate a condition like this, that there will probably be thousands of these trucks that farmers are going to need rather badly, and if we leave it to the War Department they may be stored up in some quartermaster depot. For example, there will probably be many bulldozers and tractors as well as other equipment that is badly needed, and as Mr. Colmer suggests, if some plan is not worked out for their disposition they will simply be stored.

Mr. COLMER. Following your own suggestion, Mr. Chairman, would you rather that a civilian or an Army officer determine whether the property is surplus or not? Somebody has to exercise discretion.

The CHAIRMAN. Well, the civilians certainly were not very anxious to prepare this country for war.

Mr. BENDER. I do not know that it could be said the civilian or military men, either, were too anxious. But frankly I can see the need of some civilian determining what is surplus and what is not, because to let an agency determine that of its own volition is not a healthy condition; they all want to hang on.

Mr. GOSSETT. I suggest, Mr. Chairman, that we let Mr. Folsom complete his statement.

The CHAIRMAN. Yes, Mr. Folsom, will you continue?

Mr. FOLSOM. As I say, that is the principal difference between this bill and the bill Mr. Clayton presented at the joint meeting with the exception of some minor changes.

Mr. CHURCH. Before you continue, Mr. Folsom, may I say I have read part 1 of the hearings. I am anxious to have you point out to us wherein the bill now differs from the bill considered in those hearings.

Mr. FOLSOM. That is the only difference.

Mr. CHURCH. Would you mind stating for the record just what the difference is.

Mr. BENDER. He has just stated that.

Mr. CHURCH. There is an amendment to H. R. 5125 that has been made since June 16-June 20?

Mr. FOLSOM. The change that we have been talking about is the only change.

The CHAIRMAN. On page 7, line 21, beginning after the comma?

Mr. FOLSOM. Section 7 (a). That contains the only change, except two or three other slight changes, in language.

Mr. CHURCH. There is part 1 of the hearings of June 16-June 20, 1944. I have here before me parts 2 and 3. Now what other hearings, other than part 1, should this committee be familiar with in order

to know all about this bill? Should it also go to part 2, the hearings of May 18-23?

Mr. FOLSOM. Those are the hearings of the Post-war Planning Committee?

Mr. CHURCH. Yes.

Mr. FOLSOM. If you wish me to do so I can mark up the part of the hearings so that you will not find it necessary to go through all of them.

Mr. CHURCH. How much of part 3?

Mr. FOLSOM. I can furnish you a marked copy if you would like for me to do so, which I think might be helpful.

Mr. CHURCH. Mr. Chairman, I suggest that Mr. Folsom furnish the committee with marked copies of part 2 and part 3 of these hearings, and this committee will then have before it a lot of material that has already been gone over by way of hearings that relate to this bill, both in part 2 and part 3.

Mr. FOLSOM. I will be very glad to give you marked copies of those hearings.

Mr. BENDER. I have already read part 1.

Mr. CHURCH. I have reference also to parts 2 and 3.

Mr. FOLSOM. Parts 2 and 3 do not refer to this.

Mr. CHURCH. No. Mr. Chairman, I want to hear Mr. Folsom, but I am disturbed about one other thing.

Perhaps it was public opinion that once led up to the scrapping our Navy, and some influence might arise that would result in declaring a lot of ships as surplus. Some of us are going to be very certain that we keep a big Navy, and this Congress, I do not believe, wants to leave too much power in any one man's hand to declare ships as surplus, and I am not talking now of the Merchant Marine. I am talking about war ships of the Navy.

Mr. FOLSOM. We are concerned more with the commercial than with the war equipment.

Mr. CHURCH. It is this provision in the bill that I am concerned about.

Mr. FOLSOM. You could restrict that, of course.

Mr. CHURCH. I am not suggesting anything except but that I should be considered.

The CHAIRMAN. I have broken into your statement, Mr. Folsom, but I think it would be wise for you to make a complete statement and then we may interrogate you about any part of it.

Mr. FOLSOM. Mr. Colmer introduced this bill just before Congress recessed. We have not had a chance to have any hearings on this bill, but I have had copies of it sent to a number of organizations and persons interested in the distribution of property. We have received suggestions both from the National Association of Manufacturers and the United States Chamber of Commerce, and I will go into them when we consider the sections of the bill.

The principal change suggested relates to the organization; they recommend that instead of an Administrator in charge there should be a Commission of seven men, with business experience. There are two or three other suggestions which have been made which I think we can take up as we go through the bill.

There are several problems that are difficult to meet in framing this legislation. There is no question but that legislation is needed. Mr. Clayton, the Administrator, is now operating under an Executive

order of the President, and is making good progress, but there is general agreement that Congress itself determine the policy under which he should operate rather than leave it to the Administrator alone.

While the problems are not acute right now because there is not a great deal of surplus property to be disposed of, at the same time property is being disposed of every day and, of course, as soon as the war comes to an end there is going to be a tremendous amount of surplus property. Its disposition will have considerable effect on the economy of the country for many years to come. That is why the Post-war Committee thinks it is very important that legislation of this kind be enacted now and why it is necessary to have proper principles and policies laid down by the Congress.

You might be interested in some estimates we have obtained of the size of this problem that will have to be faced after the war. It is very difficult, of course, to get any accurate facts as to how much surplus property there is going to be when the war is over. Very careful estimates have been made by Dr. Kaplan, which are given in his book recently published.<sup>1</sup> He estimates the total amount will be somewhere around \$60,000,000,000. That is a tremendously large amount but there are many things involved that will not find their way into commercial channels.

About half of the supplies will be aircraft and ships, and about one-fourth ordnance, and guns, tanks, and various things of that sort. So that those three items alone, ships, aircraft, and ordnance, amount to about three-fourths of that total. That leaves about \$15,000,000,000 of materials which ordinarily might go into commercial channels. It is estimated that about half of that will be abroad and it is a question of whether much of that material abroad will find its way back to this country.

MR. BENDER. That is half of that figure?

MR. FOLSOM. Half of the \$15,000,000,000.

The principal groups included in this estimated \$15,000,000,000 of miscellaneous stocks are clothing, textiles, and other soft goods; motor vehicles; foodstuffs; stock piles of raw materials; machinery, tools, and equipment of wide variety.

He estimates that the amount of these supplies which could be merchandised in the domestic market would probably be about \$6,000,000,000. This total which would include raw material as well as finished goods compares with the normal monthly retail sales of \$4,000,000,000 in the country as a whole before the war. In this great variety of commodities left over at the end of the war there will, however, be many items in quantities representing a number of months' supply. The disposal of these items offers many difficulties and great care must be taken to prevent disastrous effects upon employment and industry.

I have much more detailed figures which I will submit to the committee later, but that in general gives you the picture, Mr. Chairman, in connection with the over-all problem as to surplus supplies.

MR. BENDER. Do you not think it would be a good idea for us to invest a little money in that book?

MR. FOLSOM. I will see if I cannot get some copies for the committee. I think you will find it is a very worth-while book.

<sup>1</sup> The Liquidation of War Production.



Mr. RANDOLPH. Mr. Chairman, I might add that the August 4 issue of the United States News has a very splendid article, which I think will be helpful, on this very subject matter.

It is a publication that comes to our desks and I mention that because some of you may have overlooked the article in the August 4 issue of the United States News.

Mr. FOLSOM. When it comes to surplus plants, it is estimated the cost of the Government-owned plants is about \$15,000,000,000, in the following broad classifications:

*Government-owned war plant*

	<i>Original cost</i>
1. Explosives: ammunition assembling and loading-----	\$2, 850, 000, 000
2. Shipways-----	2, 000, 000, 000
3. Aircraft: Frames, engines, parts-----	3, 110, 000, 000
4. Iron and steel-----	1, 200, 000, 000
5. Nonferrous metals (mainly aluminum and magnesium)-----	1, 350, 000, 000
6. Chemical operations: Synthetic rubber, high octane gas and other petroleum products, other chemicals-----	1, 400, 000, 000
7. Ordnance other than explosives: Ammunition, shells, bomb cases, etc., guns-----	1, 900, 000, 000
8. Machinery: Motor vehicles, combat and other; metal-working equipment; machinery and electrical equipment; miscellaneous manufacturing equipment-----	1, 290, 000, 000
Total-----	15, 100, 000, 000

Mr. HOPE. Do you know whether consideration has been given as to whether it could be used for the manufacture of fertilizer?

Mr. FOLSOM. They are perhaps located in places that would make it very difficult to operate them economically: there might be some, but as a whole we cannot expect to realize a great deal out of them.

Mr. COTTON. Mr. Chairman, I think we will all agree that Mr. Folsom is making a very interesting statement in reference to the situation that is going to confront us, but, in the interest of saving time, I feel the situation that confronts us now is not the question of how much surplus property we are going to have on hand, but the method to be used in disposing of that property.

Mr. FOLSOM. I wanted to give the committee some idea of the problem it is going to be confronted with before you undertake to pass legislation to dispose of it.

Mr. BENDER. This record will be made available immediately, as I understand, and I wonder if you cannot include the figures you have in mind in the record.

The CHAIRMAN. Without objection he may include any statement he wishes.

Mr. FOLSOM. The aircraft plants represent the biggest single item: We know we are going to have those plants, and the disposition of those plants will involve a considerable problem.

Under this bill, general authority is given to an administrator and he in turn will depend upon the individual agencies to dispose of the materials. He, as administrator, will not actually dispose of them. Under present regulations, issued by the Administrator, certain agencies, such as the Treasury Procurement, are now disposing of the consumer goods instead of having each of them dispose of their surplus supplies in competition with other agencies. This bill gives the Administrator the authority to continue that practice.



If you want me to I can now take up the bill in detail. Would you like me to continue, Mr. Chairman?

The CHAIRMAN. You mean read the whole bill?

Mr. FOLSOM. I can summarize the sections. The objectives are set out in section 1.

Mr. GOSSETT. If I am out of order in making this suggestion I want you to tell me. But one of the things that worries me about this whole problem is how it is going to affect the small businessman.

For instance, whether somebody can secure a supply of shoes from the Army and sell them at a price that will put the local merchant out of business.

Mr. FOLSOM. That is the reason we think it is important to have the policy determined by the Congress. One of the policies set forth in the bill is directed against the sale to speculators.

The CHAIRMAN. Do you have any further statement you would like to make, Mr. Folsom?

Mr. FOLSOM. Not unless you want me to take up the bill section by section.

The CHAIRMAN. I suggest that we take up the bill section by section, because one of the important things we want to thrash out is the policy that we are to formulate.

Mr. COCHRAN. Are you in accord with the testimony of Mr. Clayton before the joint committee?

Mr. FOLSOM. Yes, sir.

Mr. COCHRAN. It is in part I, section by section and paragraph by paragraph. I read the whole thing. That is the reason I asked the question whether the suggestions made before the joint committee were embodied in this bill. You say the only new item in the bill that was not contained in Mr. Clayton's testimony is the question Mr. Manasco developed.

Mr. FOLSOM. We have taken into account all the suggestions that came out of this hearing, plus this new change.

Mr. HOPE. Does this bill in its present form contain the suggestions Mr. Maverick made?

Mr. FOLSOM. No; it does not. We changed a word here and there in order to go further along with Mr. Maverick, but we have not made the basic changes that he suggested. Mr. Clayton, in a letter which I have from him, stated that they would interfere too much with the regular disposal of these supplies. I have some statements on that subject that I can present to you when you care to take it up.

Mr. COLMER. With apologies to the gentleman, may I make a suggestion for what it is worth? It seems to me the thing we want to decide here is what our policy of procedure is going to be for these hearings. I wonder if with that in mind, it would not be a good idea to take up this bill section by section, for whatever discussion and questions we might have, and then decide whom we want to hear to clarify these questions?

The CHAIRMAN. I discussed the matter with several members of the committee and they want to hear Mr. Clayton.

Mr. COLMER. I think he ought to be heard.

The CHAIRMAN. And they would like to hear Justice Byrnes to get an over-all picture.

Mr. COLMER. I think that would be splendid.

Mr. COCHRAN. Our job is to pass a bill, after considering the matter, on how to dispose of surplus property. Let us confine ourselves to that, so that we do not prolong the hearings and take up the time of Government officials who have other jobs to do. I do not think Justice Byrnes enters into this picture at all. I do think Mr. Clayton does. In view of what has been said about consumer goods, I think the Chief of the Procurement Division is concerned, because he is selling goods now. But let us confine ourselves to the job that we have to do, the method of disposal; because anybody's guess is as good as anybody else's as to the amount. Nobody knows. Let us confine ourselves to legislation providing for the disposal of this property in an orderly manner. I do not think Mr. Byrnes' time ought to be taken up with that. But I do think Mr. Clayton ought to be here, as well as the Chief of the Procurement Division.

Mr. GOSSETT. Mr. Chairman, I move that such hearings as we have be executive.

Mr. RANDOLPH. I suggest they be open, and so amend Mr. Gossetts' motion.

Mr. CHURCH. I suggest they be open also, and second the amendment.

The CHAIRMAN. The question is on the motion of the gentleman from Texas.

(The motion was agreed to.)

The CHAIRMAN. The hearings will be executive. Mr. Clayton will appear before the committee tomorrow. Mr. Justice Byrnes has indicated he would like to appear. Mr. Wickard will be here Wednesday.

Mr. FOLSON, unless you have any further statement to make at this time, the committee will adjourn to meet tomorrow at 10 o'clock.

(Whereupon an adjournment was taken until Tuesday, August 8, 1944, at 10 a. m.)

# SURPLUS PROPERTY ACT OF 1944

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TUESDAY, AUGUST 8, 1944

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON EXPENDITURES IN THE  
EXECUTIVE DEPARTMENTS,  
*Washington, D. C.*

## EXECUTIVE SESSION

The committee met at 10 a. m., Hon. Carter Manasco (chairman) presiding.

The CHAIRMAN. The committee will come to order.

Mr. COLMER. Mr. Chairman, with your permission, we have asked some other members of the committee who were not members of this particular subcommittee to sit in the hearing this morning if there is no objection.

The CHAIRMAN. We will be glad to have them.

We are meeting this morning for the further consideration of H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes.

We have with us this morning Mr. Clayton, who is now the Surplus War Property Administrator, and who, I understand, collaborated with the Post-war Committee in the preparation of this bill.

Mr. Clayton, we have decided not to reopen the hearings and invite everyone to come and testify on the subject because we think that the congressional committees have already received about all the information available on the subject and anything that would be brought out would be in addition to something that has already been covered. But we wanted you here this morning to discuss with you certain phases of this proposed legislation, especially the mechanics and any conflict with existing law. Of course we know that any bill that will be passed will have many defects but we want to pass a bill with just as few defects as possible.

Do you have a statement you would like to make to the committee before we start questioning you?

## STATEMENT OF W. L. CLAYTON, SURPLUS WAR PROPERTY ADMINISTRATOR

Mr. CLAYTON. Yes, Mr. Chairman; I have a short statement. H. R. 5125, which you have before you, embodies with only one substantial change the recommendations made by a committee on legislation representing a number of executive agencies, of which I was chairman. I am, therefore, strongly in favor of the bill, although I have a few suggestions for amendments which I shall be glad to offer at whatever time the committee deems appropriate.



On June 16 and 20, 1944, most of the members of our committee on legislation, including myself, testified at length with respect to these same recommendations. That testimony was given at joint meetings of the House and Senate Special Committees on Post-war Economic Policy and Planning, to which Chairman Manasco was invited and which he attended for part of the time.

I am advised that printed transcripts of the testimony at those meetings have been distributed to all the members of this committee. In that testimony our recommendations were presented, and the reasons for them discussed at length. They are embodied almost verbatim in the bill which you are considering today.

For that reason I am reluctant to take the time of the committee by going through the bill in detail and giving repetitive testimony about it. With the chairman's permission, therefore, I will merely make a short statement on one or two important subjects, request that the testimony given on June 16 and 20 be considered a part of the record of these hearings, and then reply to any questions which the members of this committee may care to ask.

The first subject I would like to discuss is that of small business. Our recommendations, and H. R. 5125, have been criticized on the ground that neither the policy language nor the mandatory provisions give adequate protection to the interests of small business in the distribution of surplus property. The two most important criticisms in this regard, by Smaller War Plants Corporation and by the House Select Committee on Small Business, appear in the printed transcript of the joint meetings of June 16 and 20, 1944.

I would therefore like to make a clear and unequivocal statement of my views on this subject, so as to give a proper perspective to the question whether particular provisions relating to small business should be put into the statute by amendment.

I believe that small business should have the fullest possible opportunity to acquire surplus war property, and that all steps should be taken toward this end. I believe, however, that the best way to achieve the desired result is to have an efficient, well-administered disposal program which will result in the rapid and widespread distribution of goods in quantities and through channels which will enable all to buy at fair prices. Consequently I believe that provisions which would slow down the flow of distribution, impose burdensome administrative requirements or disrupt markets by setting up competing disposal agencies, would frustrate the very purpose which they seek to achieve.

I believe that under H. R. 5125 as written, an Administrator would be bound to take all steps which would be really useful in getting the goods to small business, and that most of the added provisions which have been suggested are either repetitive or self-defeating.

I assume that the committee will question me if it desires discussion of specific suggestions which have been made. Before leaving the subject of small business for the moment, however, I would like to emphasize one fundamental fact which is frequently ignored in this connection. The Surplus War Property Administrator is going to be hungry for buyers; he is going to be racking his brains to find price policies and methods of distribution whereby he can put into the channels of trade, and get out of Government storage, as much as possible of a large store of goods as fast as possible. He not only can-



not afford to ignore any existing or potential market, but he will have to go out and develop markets. In short, there is no reality in the fear that he will in some way withhold property from the small businessman.

The second subject which I would like to discuss is the composition of the agency to be charged with the administration of the act. H. R. 5125 provides, and we recommended, that a single individual be charged with the responsibility, with the advice of a board consisting of representatives of all the Government agencies principally interested in the disposal problem. It is assumed that the individual would be a man of business experience.

I understand that various different sources have suggested that the responsible body be a board. Some suggest that it be a board composed exclusively of existing public officials and businessmen. In the latter case it is not clear to me whether the businessmen are expected to work on a full-time or a part-time basis.

I think that Congress would find it most unsatisfactory, in a matter of this magnitude, to be obliged to rely on the collective responsibility of a group of people. This seems particularly true when some or all of those people would be occupied only part time with the property disposal problem and would owe their primary allegiance to another agency or activity.

In addition, a board by its very nature is less effective than an individual in making day-to-day decisions which require rapid action. It would be inevitable that any board would in fact choose an individual, by whatever title they chose to call him, who would be the real executive head of the agency, work at it full time and make the decisions, even though these were submitted to the Board for ratification. That is the only way in which a large business operation like property disposal can be effectively conducted.

If that is the fact, I should think that Congress would want to have the real operating head of the agency responsible and accountable to them, instead of having his responsibility diluted and confused by the theory that the real directing unit was the board.

Congress has already reached a similar conclusion in the Contract Settlement Act of 1944, and I do not think they will regret it.

I will be very glad to proceed by answering any questions the committee may care to put, or in any other manner the chairman suggests. As I stated before, I have a few amendments to H. R. 5125 which I would like to discuss at some stage of the proceedings.

The CHAIRMAN. Mr. Clayton, I have a few questions I would like to ask you. Chairman Ramspeck of the Civil Service Committee called me this morning and asked if it would injure or hamper the activities of the Surplus Property Administrator if paragraph (b), section 3, on page 4, was stricken from the bill. In other words, that subsection exempts the employees of your organization from the Classification Act.

Mr. CLAYTON. Paragraph (b) of section 3.

The CHAIRMAN. Yes; on page 4.

Mr. CLAYTON (reading):

The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel without regard to the provisions of the Civil Service laws and the Classification Act of 1923—and so on. The question is whether that could not be stricken from the bill which would then leave the operations of the War Property Administration subject to Civil Service Classification.

The CHAIRMAN. To the Civil Service Classification Act.

Mr. GOSSETT. As one member, I would object.

The CHAIRMAN. I wanted to get the reason for its inclusion there.

Mr. CLAYTON. From the experience that we have had, Mr. Chairman, we would much prefer to leave it in there. The Surplus War Property Administration, as set up in this bill, would require a small, compact staff of very experienced and competent people and we would very much prefer to select them ourselves without restraint by the Civil Service Commission.

The CHAIRMAN. If I understand you correctly quite a number of your employees are only part time employees who still hold their positions with industrial organizations and they could not qualify under the Civil Service Act and you would not have the benefit of the services of those employees.

Mr. CLAYTON. That is true. We have and would expect to continue to have a number of employees who are serving without compensation. We have eight or nine now serving without compensation.

Mr. COCHRAN. Would there be any objection, Mr. Clayton, to dividing the subject, to putting some language in the bill which would carry out your suggestion, insofar as the top employees of the organization are concerned, and let the general personnel, such as stenographers, accountants, clerks, and so on, be taken from the civil-service rolls?

Mr. CLAYTON. I do not think I could offer any serious objection to that, Mr. Cochran. That is what we do now and I do not think there would be any serious objection if it can be so worded that it is clear.

Mr. COCHRAN. I think you will have difficulty with the provision as it is, because you will be spending about three-fourths of your time listening to a lot of people seeking positions if that provision stays in, and for your own protection you ought to consider the advisability of dividing that question to take care of those who are not enjoying any salary whatsoever, and top men and then placing under civil service the general personnel.

Mr. CLAYTON. The clerical positions.

Mr. COCHRAN. The clerical staff, stenographers, and so on.

Mr. CLAYTON. I see no objection to that.

The CHAIRMAN. Of course, you provide in this bill for the operating agencies to dispose of the surpluses.

Mr. CLAYTON. Yes.

The CHAIRMAN. What you will do is to designate the war operating agencies, who have their own employees in the operating agencies in charge of the disposal of surplus property, who will be under civil service.

Mr. CLAYTON. And I assume that nothing in this bill would affect that.

The CHAIRMAN. Not affect the status of those employees.

Mr. CLAYTON. No.

The CHAIRMAN. Under section 4 a Surplus Property Board is provided, to be composed of the Administrator, as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Chairman of the Board of Directors of Smaller War Plants Corporation, the Chairman of the

United States Maritime Commission, the Chairman of the War Production Board, the Director of the Bureau of the Budget, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Foreign Economic Administration.

This Board, as I understand it, does not have any authority over you; they are merely to advise with you. The Board can meet and make recommendations and the Administrator will not have to abide by them; is that correct?

Mr. CLAYTON. Yes; they would not have absolute authority over the Administrator.

The CHAIRMAN. They could not veto your orders.

Mr. CLAYTON. No, they could not; but they nevertheless have a very important function to perform, and I can hardly conceive that an Administrator would go contrary to the very clearly expressed opinion and wishes of the Board, by majority action, although under the law and under the Executive order under which we are now operating, the Administrator can do that.

The CHAIRMAN. Why did you put in the War Food Administrator and leave the Secretary of Agriculture out?

Mr. CLAYTON. It follows the Executive order, largely, Mr. Chairman. Under the Executive order the War Food Administrator was put in because the War Food Administration is named as the disposal agency for food. It was felt that whatever interest agriculture might have in the situation could be taken care of by the War Food Administrator.

The CHAIRMAN. The War Food Administrator was set up by Executive order and that office might be abolished by an Executive order. Do you not think it is a little dangerous for Congress to legislate with respect to Executive orders?

Mr. CLAYTON. Of course, Mr. Chairman, that applies also to the Foreign Economic Administration.

The CHAIRMAN. Yes.

Mr. CLAYTON. And it might to one or two other agencies. But as long as these boards are in existence, which tie in so closely with this whole problem of surplus property disposal, it was felt they should be named as members of the Board.

If I may at this point I would like to add another agency to this Board, and that is the Administrator of the Office of Price Administration, because we find we have to work so closely with that agency in the determination of ceiling prices and prices generally.

The CHAIRMAN. Is it hoped to have the Office of Price Administration in existence for 3 years after the war is over?

Mr. CLAYTON. There again, Mr. Chairman, I do not know how many of them will be in existence. Of course I assume that if any agency should be abandoned, automatically it would drop out of the membership of this Board. I do not think that would involve any serious problem.

The CHAIRMAN. That is what I was thinking. The Department of Agriculture was created by Congress and would still be in existence and I was thinking it would be better to have the Secretary of Agriculture as a member of the Board.

Mr. CLAYTON. I think that the War Food Administration is the logical agency to be named as the disposal agency for food, rather than



the Department of Agriculture, because the War Food Administration is the agency which procures the food and is the agency which carries out these support programs, and therefore is the proper agency to act as the disposal agency for food.

Now, if later on, after the war is over, the War Food Administration is abolished, then we would have to propose an amendment to this act which would take care of that situation.

The CHAIRMAN. A lot of times changes are made by Executive order so that some of the agencies named would not have the right to sit on this Board.

Mr. CLAYTON. I would like to ask Mr. Scott about that, but I presume that the language here might be adjusted to take care of a situation of that kind so that if the names of the agencies are changed, or if there is another agency that succeeds to the functions of one of these agencies, that situation can be taken care of.

Mr. COCHRAN. If the President should issue an Executive order abolishing the War Food Administration and putting its duties into the hands of some other individual he no doubt would provide in the Executive order for a transfer of the functions of the War Food Administration.

The CHAIRMAN. He could do that.

Mr. COCHRAN. And that would automatically place him on this Board.

Mr. COLMER. May I interpose for a suggestion?

The CHAIRMAN. Yes.

Mr. COLMER. What objection, Mr. Clayton, would there be, in view of the question raised, to just adding the Secretary of Agriculture to the Board?

Mr. CLAYTON. Mr. Colmer, there would be objection to that because we already have a Board here that is very large.

Mr. COLMER. That is what I was thinking, so that one more would not make any great difference.

Mr. CLAYTON. From that point of view there are other agencies which want to be represented on this Board and we have tried to keep it within reasonable proportions. We already have 14 members on the Policy Board, one of the largest boards in Washington, and it is already a little too large for effective work, and in addition, we are suggesting that we have the Office of Price Administration, because I think that is an important function.

Mr. COLMER. Of course, Mr. Clayton, you realize, I am sure, that in the final analysis you are going to be the Board.

Mr. CLAYTON. The Administrator will be, you mean.

Mr. COLMER. I am hoping it will be you.

Mr. CLAYTON. Thank you. The Administrator has the responsibility and the authority, of course, under the bill, whoever he will be, but I think the Administrator will take the suggestions of that Board very seriously. I know I would so so, and we listen very seriously to their suggestions and opinions and consult them very frequently.

Mr. COLMER. Quite so, but I meant in the final analysis the Administrator will be the Board.

Mr. CHURCH. May I interpose a question, Mr. Chairman?

The CHAIRMAN. Yes; Mr. Church.

Mr. CHURCH. Mr. Clayton, I call your attention to the language on page 5, lines 24 and 25, which states:

or any alternate or representative designated by any of them.



If the Secretary of Agriculture is designated would he not likely appoint the War Food Administrator, or is there any friction or is there any reason why he would not do so?

Mr. CLAYTON. I do not know that there is any friction, but I think it is very unlikely that he would appoint a member or representative of some other agency of the Government to represent his agency. I think he would appoint the Under Secretary of Agriculture or some assistant Secretary of Agriculture so that we would have another member sitting at the table.

The CHAIRMAN. Mr. Clayton, was there any discussion when you drew the bill about the question of the Comptroller General's office being also represented on the Board?

Mr. CLAYTON. There was none when we drew the bill. The question was asked me in the hearings before the Senate Committee about some action under the bill being subject to check by the Comptroller General. I do not think the suggestion was made that the Comptroller General be made a member of the Board. I have not heard that suggestion before.

The CHAIRMAN. I understand that section 7 on page 7, beginning with line 21, after the comma "but thereafter the Administrator shall have power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency" was not recommended by you.

Mr. CLAYTON. That is right, sir, and if it is the proper time now for me to make a statement about an amendment in connection with that matter I will be glad to do so.

The CHAIRMAN. Yes.

Mr. CLAYTON. Except for the first amendment which I am about to propose, H. R. 5125 reflects the recommendations made by the legislative committee of the executive agencies which met under my chairmanship. Consequently these proposals are not in any way to be considered as critical of the bill and they would make no changes in principle. They are merely made to clarify and represent things which have recently occurred, or have been suggested, to us.

Section 7 (a): We recommend the deletion of the second sentence, which was not included in our recommendations. I will be brief as to the reasons, since the point will undoubtedly be fully discussed by the other agencies.

Mr. WHITTINGTON. I do not want to interrupt, but I would like to ask what you are deleting.

Mr. CLAYTON. The second sentence in section 7 (a). That sentence begins on line 19, on page 7.

Mr. WHITTINGTON. For the record will you please read it?

Mr. CLAYTON. The sentence reads:

For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency.

Mr. COCHRAN. Do you believe there is any real objection to its staying in, since when you connect that up with the first sentence you still leave the power and final decision up to the owning agency, do you not?

Mr. CLAYTON. Yes.

Mr. COCHRAN. Then why could there be any objection to it when the final decision in fact is left up to the owning agency?

The CHAIRMAN. If you do not strike the second sentence the discretion would be left to the Surplus Property Administrator.

Mr. COCHRAN. With the second sentence in you still have the final word.

The CHAIRMAN. The second sentence states "for the duration of hostilities".

Mr. COCHRAN. But the first sentence reads:

Each owning agency shall have the duty and responsibility to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

Then you come along with the second sentence and I take it that you would require that each owning agency give some reason for making its determination, or the Board can make a determination or ask it to make a determination, but there still is left in the first sentence the final decision, which rests with the owning agency.

Mr. CLAYTON. I am afraid, Mr. Cochran, I did not quite understand your first question.

Under the second sentence here, after the war is over, the Administrator would have the power to require the owning agency to declare property surplus and we think that sentence should be deleted from the bill.

The CHAIRMAN. You think that gives too much power to the Surplus Property Administrator over the functions of an operating agency?

Mr. CLAYTON. Well, we feel, Mr. Chairman, that the responsibility for determining what property is surplus to its needs is a responsibility that can only be properly performed by the owning agency itself.

The greatest surplus, of course, will come from the Army and the Navy. Even in times of peace, when the over-all size of the peacetime military establishment has been determined by the Congress, the Chiefs of Staff have the responsibility of determining what property they need to meet the requirements of those establishments. They do not seek to escape that responsibility and I do not see how anyone else can exercise it for them.

There doubtless will be situations in which the Administrator would and should urge upon the services a more rapid and thorough digging out and declaration of surpluses, and there may even be differences of opinion as to whether particular items should or should not be declared surplus. I am confident that these situations can be handled as they arise, however, without giving the Administrator a responsibility which he cannot possibly be in a position to discharge adequately. If irreconcilable differences ever appeared, which I think unlikely, Congress could always act, and Congress can keep a continuous check on the Services through its control of appropriations.

This sentence, Mr. Chairman, would put the Administrator in the position of saying to the Army, "You have got too many airplanes," or, "You have got too many trucks," or, "You have got too many tanks; you ought to declare one-third of them surplus." I do not think any Administrator would have the knowledge or the experience to assume a responsibility of that kind.

The CHAIRMAN. If he found that they had too many guns or too many tanks, he could still come to Congress and recommend that that surplus be disposed of?

Mr. CLAYTON. He can still do that. And I would like to add that we maintain a very close contact with the Army and the Navy and we inquire very closely of them about surpluses here and there. We argue with them about, them, and I think we have some influence in some cases in getting things declared as surplus. But, from my experience and observation, I myself would not want to have the responsibility of saying to the Army or the Navy that they had too much of this or that, in a matter about which they know so much more than I or, perhaps, any Administrator who would be sitting in my chair would know.

The CHAIRMAN. Mr. Clayton, in section 8——

Mr. COOPER. Mr. Chairman, may I have a word before you pass to that?

Mr. COCHRAN. Mr. Chairman, if the gentleman will yield to me for a moment, I want to ask just one question.

As I understood you yesterday, Mr. Colmer, you are responsible for this language?

Mr. COLMER. That is right.

Mr. COCHRAN. In view of what Mr. Clayton has said, have you any objection to its being stricken out?

Mr. COLMER. Well, I have my own ideas about it. As I stated yesterday, Mr. Cochran, after the war we are going to have a different situation.

Mr. COCHRAN. You are now talking about after the war. Your amendment provides only for the duration.

Mr. COLMER. No; it provides for after the war. The language is clear that for the duration the agency shall have exclusive jurisdiction over that question. My suggestion was that after the war, in view of the tendency, which is perfectly natural, in view of the zealousness of the armed services to hold on to this stuff, they would not be inclined to relinquish it for civilian needs, and it seemed to me that, while I am not exactly satisfied with this provision, there should be some provision made for somebody other than the armed services to declare what is and what is not surplus. I have a rather strong conviction about that. I have no criticism of the armed services. I realize that they want to hold everything they can for their branches of the service. But I am inclined to construe this language a little differently from the construction that Mr. Clayton places on it, with all due deference to him.

If you will read that—

\* \* \* but thereafter the Administrator shall have power—

not to declare a surplus, but—

to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency—

I say I am not satisfied with that. I think that merely says that he shall require them to make a determination. I think it is a bit ambiguous.

I should like to go a little further, although I have not worked it out. I had a discussion of it yesterday with some members of the staff and with Mr. Cooper and others. I should like to go a little further and provide that in case of disagreement between the Surplus Property Administrator and the owning agency, there should be a third person, let us say, for example, the President.



Mr. COCHRAN. Do not put any more on him.

Mr. COLMER. Just a moment. Who, after all, is the Commander in Chief, and who could make the determination? But, more practically, permit the head of the demobilization agency which will be set up, to become the umpire; something along that line. I should like to see one change made in that situation whereby somebody down here in the Quartermaster Corps would say, "Well, we might need these trucks," and the result would be that a lot of stuff would be stored up in warehouses, and in 5 years, possibly, would become obsolete and would be of no benefit to anybody.

Mr. COCHRAN. Let me ask you this question. As I remember the hearings, Mr. Clayton told the joint committee that this is not a final conclusion; that he is going to furnish a quarterly report to the Congress; is that right?

Mr. CLAYTON. Yes, sir.

Mr. COCHRAN. And as you make those quarterly reports and as our experience warrants doing so, you are going to make recommendations for additions and changes in the act. Therefore, as long as your sentence applies to the period after the war, why not leave that controversial question out now and let it come in later, if Mr. Clayton thinks that advisable? We want to keep out as many controversial subjects as we can.

Mr. Colmer. I am in accord with that, but you know and I know that Congress is not going to study these reports and do anything about the matter.

Mr. COCHRAN. This is one report that Congress is going to study.

Mr. COLMER. That may be, but we just do not do it. We do not have the opportunity to do it.

Mr. GOSSETT. Mr. Chairman, I wanted to ask Mr. Cochran to yield, but I believe Mr. Cooper wanted to ask a question.

Mr. COOPER. Not at this moment. The point I had in mind has been covered.

Mr. GOSSETT. There is another specific example that occurs to me, although I have not run it down thoroughly. When we disposed of the N. Y. A. and turned over all of those machine tools that they had, which were very numerous, to the War Department, there were schools all over the country, vocational training departments of schools, who wanted some of that equipment and they were unable to get it.

Now, there is liable to be a great deal of some such equipment lying around which vocational training departments of schools would like to have, and which they would be unable to obtain simply because somebody may say, "Well, we might need it." Then they would just have it lying around.

There should be some provision to qualify the determination of the owning agency as to what is or is not surplus.

The CHAIRMAN. Mr. Gossett, if we were to insert that kind of provision, the Surplus Property Administrator would have to hire more people than there were on the old W. P. A., because they would not have the technical experts to make these surveys, to be able to go around and determine what is and what is not surplus; go around and say that this tank is surplus or this B-29 is surplus. You have to have experts on a matter of that kind. I think that would be a very dangerous provision.



Mr. CLAYTON. Mr. Chairman, may I make a suggestion there about that? We operate now under an Executive order, and that Executive order provides that the determination of what is surplus shall rest with the owning agency, subject to the authority of the Office of War Mobilization. So that the Office of War Mobilization, whose Director is Justice Byrnes, has a very large authority in this field. And I should think, if the Congress is going to enact an over-all demobilization and reconversion bill, that the Office might be given the authority, as it has now, to pass on a matter of this kind.

The CHAIRMAN. At least a veto power.

Mr. CLAYTON. Yes, sir.

Mr. RANDOLPH. Mr. Cooper, was the thought expressed by Mr. Colmer your viewpoint? Do you feel that there is a necessity for a so-called civilian check?

Mr. COOPER. I am not undertaking to pass on that question now, but what I had in mind was just to bring out the thought that was expressed.

Mr. CHURCH. On that point, Mr. Chairman, I would like to ask Mr. Clayton a question. There seems to be a feeling on the part of some that the words in lines 19 to 24 should remain in there. If the Army and the Navy were expected from that provision, would you feel that those words could remain in there, to cover all other activities?

Mr. CLAYTON. That would remove much of the objection we have to the provision. But if you excepted the Army and the Navy, there would not be much point in having it in there, because the great bulk of the surplus, as you know, originates with those two agencies.

Mr. CHURCH. That is true. Leaving those words out would answer that objection to this bill. But I do realize the force of what Mr. Clayton says in connection with these other agencies, but if we excepted the War Department and the Navy Department, these words could remain, and that would answer the purpose.

Mr. CLAYTON. You probably should except also the Maritime commission.

Mr. CHURCH. That is excepted in the bill.

The CHAIRMAN. No.

Mr. CHURCH. Oh, yes.

Mr. CLAYTON. I am not aware of that.

The CHAIRMAN. It makes them the sole disposing agency.

Mr. ZIMMERMAN. Of course, this language that is sought to be deleted from the bill has to do with the post-war period, after the war is over. Of course, the Office of War Mobilization will be abolished after the war. But I would like to make this observation. I think we are treading on serious ground when we propose to take away from the Army and the Navy material which they think might be necessary for the proper defense of this country. It is because they did not have such material that we found ourselves in such a "heck of a fix" when this war broke out. We were without a lot of the things that we needed. I think we ought to think pretty seriously and have in mind our past experience before we take from the Army and the Navy their voice in determining what they need for the defense of this country, or for an emergency which might arise.

I just wanted to point that out.

The CHAIRMAN. I think the Army and the Navy should have the authority to store all strategic metals and minerals that they might need for the prosecution of a war that might come in the future. If we were to leave such a determination to a civilian, you would have manufacturers coming in and asking for chromium and other metals they had, or so much of some other material that they had, and the Surplus Administrator might order that sold. I think that section is pretty dangerous.

Mr. CLAYTON. Mr. Chairman, the gentleman implied that I had suggested that this authority be placed with the Office of War Mobilization. I did not make that suggestion. My suggestion was that if the Congress should pass a bill—I believe one is before the Congress—creating an Office of War Demobilization and Adjustment, or an Office of War Mobilization and Demobilization—Whatever you may want to call it—to deal not only with the problems of the war but of the post-war period immediately after the war—my suggestion was that that agency might have some over-all authority in this field.

Mr. WHITTINGTON. May I ask a question, Mr. Chairman?

Mr. CHURCH. I asked a question that I do not believe Mr. Clayton had a chance to answer satisfactorily to himself. Mr. Clayton, would you feel that those words could remain as they relate to agencies other than the War and the Navy Departments?

Mr. CLAYTON. I think if you except from that sentence the War Department, the Navy Department, and the Maritime Commission, that you take away much of our objection, of the general objection to the provision. But, as I said, I do not think it would then have much force, because in volume the surpluses originating with agencies other than the War, Navy, and Maritime Commission, are very small.

Mr. CHURCH. Well, you recommend that the words go out?

Mr. CLAYTON. We would have no objection to the provision if the exception is made in respect of the War Department, the Navy Department, and the Maritime Commission.

The CHAIRMAN. But you still have authority under that provision to go to the Commodity Credit Corporation and declare cotton surplus. Congress has passed laws requiring them to hold certain kinds of cotton.

Mr. CLAYTON. Mr. Chairman, I just do not know in that respect what the authority would be.

The CHAIRMAN. It was suggested that the gold in Fort Knox might be declared surplus, under these provisions.

Mr. CLAYTON. I doubt if we would have that authority, because it would be difficult to make a finding that cotton that they would have on hand was surplus to their responsibilities. If they had certain definite, clear responsibilities under a law to keep that cotton, I think it would be very difficult for anybody to make a finding to the contrary.

Mr. WHITTINGTON. Mr. Clayton, do I correctly understand that you have finished your general statement with respect to the bill and you are now referring to amendments that you have in mind?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. I think I will ask you, then, with respect to this particular amendment, and then I shall want to ask a few questions generally with respect to the bill.

If the language recommended be eliminated, keeping in mind the reasons for its elimination have been largely with respect to the Army and the Navy, then I would like to ask this question. The first part of section 7 deals with all Government agencies and it merely requires them to make surveys. It occurs to me that in the event those owning agencies, whether it be Agriculture, or Commerce, or some other owning agency outside of the War and Navy Departments, go along and make a survey, and are content with that, you would have no power to direct the disposal of any property. So I suggest that instead of eliminating the language—I suggest it for your consideration, because you have thought about this matter a great deal more than I have—that if we propose not to hamper the Army and the Navy, and we confine this operation to those services other than the war agencies of the Government, at the same time we do not go so far as to hamper the Administrator of Surplus Property by enabling any agency, any owning agency, merely to make an inventory and then call it a day, because that is one of the things that we are trying to remedy in this matter of the disposal of property.

Mr. CLAYTON. Are you speaking now to the first sentence in that section?

Mr. WHITTINGTON. I am trying to speak to both of them. But by eliminating the language that you propose, then "each owning agency" would refer not only to the Army and the Navy, but to all other agencies of the Government; then those agencies might make surveys and call it a day without making any disposal of property.

Mr. CLAYTON. If you are speaking to the first sentence, I do not think that that should be altered, because, for example—

Mr. WHITTINGTON. I agree with you right there. But if you strike out the entire language that you propose to strike out, then you would eliminate any power on your part with respect to the Secretary of Agriculture, for instance, or the Secretary of Commerce, making those reports.

Mr. CLAYTON. Yes, sir. As I say, we do not offer any objection to the retention of the second sentence if there is inserted an exception in respect of the Army, the Navy, and the Maritime Commission.

Mr. WHITTINGTON. I did not so understand you. I thought you wanted to strike it out entirely.

Mr. CLAYTON. No, sir. We would be agreeable to accepting an amendment.

Mr. WHITTINGTON. What is your amendment, then?

Mr. CLAYTON. We suggested an amendment to delete that sentence entirely.

Mr. WHITTINGTON. That is exactly what I understood you to say.

Mr. CLAYTON. That is what we wanted originally. But on some member of the committee asking if we would be opposed to the retention of it if you excepted from its provision the property of the Army and the Navy—and I said also the Maritime Commission—I replied that we would have no objection to retaining it with those three agencies excepted from its provisions.

Mr. WHITTINGTON. Have you the language of the proposed amendment to section 7 there?

Mr. CLAYTON. No, sir.

Mr. WHITTINGTON. You do not have it written out?



Mr. CLAYTON. Our original proposal was to delete it entirely—that is, the second sentence.

Mr. WHITTINGTON. I understand that.

Mr. CLAYTON. This other suggestion has arisen here in the last few minutes by my being asked if I would object to the retention of the second sentence if we except from its provision the property of the Army and the Navy and the Maritime Commission.

Mr. WHITTINGTON. Is the gentleman with you who drafted this bill?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. I would suggest that you submit your proposed amendment for the consideration of the committee.

Mr. GOSSETT. With respect to that same section, I had another question that I want to ask in line with that, and that is if it would not be acceptable to the Administrator and whether it might not be practicable just to add a sentence saying, in case of disagreement between the Administrator and the owning agency as to the final determination of what is surplus, such disagreement shall be decided by the President. In other words, let the President be the final arbiter, in line with Mr. Colmer's suggestion.

Mr. WHITTINGTON. Yes, Mr. Colmer suggested that and I think there is merit in it. I would suggest we keep it in mind and let us have whoever drafted this bill submit his amendment.

I wanted to ask, if I may, before we take up any other suggested amendments that you have, generally with respect to this bill, H. R. 5125, this question. This bill, as I understand, proposes to deal with all surplus property. That is right, is it not?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. Whether it be war surplus or whether it be ordinary surplus property of the Government?

Mr. CLAYTON. Yes, sir; that is right.

Mr. WHITTINGTON. Let me ask you this question. Have you a copy of Executive Order 9425, dated February 19, 1944?

Mr. CLAYTON. I have a copy of it before me at this time.

Mr. WHITTINGTON. I would like, Mr. Chairman, that that Executive Order No. 9425, dated February 19, 1944, be inserted in the record as a part of Mr. Clayton's testimony.

(The Executive order is as follows:)

#### EXECUTIVE ORDER 9425

##### ESTABLISHING THE SURPLUS WAR PROPERTY ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, particularly the First War Powers Act, 1941, as President of the United States and as Commander in Chief of the Army and Navy, it is hereby ordered as follows:

1. There is hereby established in the Office of War Mobilization, the Surplus War Property Administration (hereinafter referred to as the "Administration"), the powers and functions of which, subject to the general supervision of the Director of War Mobilization, shall be exercised by a Surplus War Property Administrator (hereinafter referred to as the "Administrator"), to be appointed by the Director of War Mobilization.

2. With the assistance of a Surplus War Property Policy Board, composed of a representative from each of the following: State Department, Treasury Department, War Department, Navy Department, Justice Department, Reconstruction Finance Corporation, Smaller War Plants Corporation, United States Maritime Commission, War Production Board, Bureau of the Budget, War Food



Administration, Federal Works Agency, Civil Aeronautics Board, and the Foreign Economic Administration, it shall be the function of the Administration, to the full extent that such matters are provided for or permitted by law:

(a) To have general supervision and direction of the handling and disposition of surplus war property.

(b) To have general supervision and direction of the transfer of any surplus war property in the possession of any Government agency to any other Government agency whenever in the judgment of the Administration, such transfer is appropriate.

(c) Unless otherwise directed by the Director of War Mobilization, to assign, so far as it is deemed feasible by the Administration, surplus war property for disposition, as follows: consumer goods to the Procurement Division of the Department of the Treasury; capital and producers' goods, including plants, equipment, materials, scrap, and other industrial property, to a subsidiary of the Reconstruction Finance Corporation, created pursuant to Section 5d (3) of the Reconstruction Finance Act, as amended; ships and maritime property to the United States Maritime Commission; and food to the War Food Administration; provided that surplus war property to be disposed of outside the United States, unless otherwise directed by the Director of War Mobilization, shall be assigned, so far as it is deemed feasible by the Administration, to the Foreign Economic Administration.

3. All functions, powers, and duties relating to the transfer or disposition of surplus war property, heretofore conferred by law on any Government agency may, to the extent necessary to carry out the provisions of this order, be exercised also by the Administration.

4. The Administrator may prescribe regulations and issue directions necessary to effectuate the purposes of this order; and no Government agency shall transfer or dispose of surplus war property in contravention thereof. Each Government agency shall submit such information and reports with respect to surplus war property and in such form and at such times as the Administrator shall direct. When requested by the Administration, a Government agency shall execute such documents for the transfer of title or for any other purpose or take such steps as the Administration shall determine to be necessary or proper to transfer or dispose of surplus war property or otherwise to carry out the provisions of this order.

5. The Administrator may perform the functions and exercise the powers, authority, and discretion conferred on the Administration by this order by such officials and such agencies and in such manner as the Administrator, subject to the provisions of this order, may determine. In carrying out the purposes of this order, the Administration may utilize the services of any other Government agency. The Administration, within the limit of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities, and services necessary to discharge the responsibilities of the Administration.

6. As used in this order:

(a) "Government agency" means any executive department, independent establishment, agency, commission, board, bureau, division, administration, office, service, independent regulatory commission or board, and any government-owned or government-controlled corporation.

(b) "Surplus War Property" means any property, real or personal, including but not limited to plants, facilities, equipment, machines, accessories, parts, assemblies, products, commodities, materials, and supplies in the possession of or controlled by any Government agency, whether new or used, in use or in storage, which are in excess of the needs of such agency or are not required for the performance of the duties and functions of such agency and which are determined, subject to the authority of the Office of War Mobilization, to be surplus by such agency.

7. All prior Executive Orders, insofar as they are in conflict herewith, are amended accordingly.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
February 19, 1944.

Mr. WHITTINGTON. Generally, what property under that Executive order are you authorized to administer and dispose of?

Mr. CLAYTON. All surplus Government property.

Mr. WHITTINGTON. Does that order make a modification of the terms of the Executive order issued by the President, numbered 9235, dated August 31, 1942, for the disposal of surplus property?

Mr. CLAYTON. This does not expressly modify that order, but it does say, "All prior Executive orders, insofar as they are in conflict herewith, are amended accordingly."

Mr. WHITTINGTON. So that that order, which is the only one, as I recall, that has been issued by the President concerning the subject, would be modified insofar as it conflicts with the Executive order of February 1944?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. And that order vests in you the disposal of all Government property?

Mr. CLAYTON. Surplus property.

Mr. WHITTINGTON. I mean all surplus Government property.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. And that includes personal property?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. That includes property for administrative purposes, such as typewriters, desks, and other administrative property; and it is also includes property essential for the functioning of the owning agency?

Mr. CLAYTON. If it is essential, of course, it is not surplus. This order does not confer any authority in respect of any property—

Mr. WHITTINGTON. Let it be understood that my questions are confined to surplus property. That is what we are dealing with.

Mr. CLAYTON. To understand it fully, we have to see the definition of surplus property, in the order.

Mr. WHITTINGTON. I will ask my question again. That order authorizes you to dispose of surplus administrative property, such as typewriters, desks, and other property that is ordinarily acquired by the Director of Procurement for the benefit of an agency of the Government, whether it be a regularly established agency or some agency established by Executive order; it includes that where it is surplus, does it?

Mr. CLAYTON. Yes, sir; where it is declared, where such property is declared as surplus by the owning agency, this order covers it.

Mr. WHITTINGTON. Under that order, have you any power of disposal of any property that the owning agency does not declare to be surplus?

Mr. CLAYTON. No, sir, we have not.

Mr. WHITTINGTON. Have you any affirmative power to require the owning agency to submit inventories, so that there may be something in addition to the report of the owning agency?

Mr. CLAYTON. I doubt if we have the authority to require it, but the Office of War Mobilization, under which we function, has that authority.

Mr. WHITTINGTON. It is doubtful if you have that authority?

Mr. CLAYTON. I do not think this Executive order gives the authority—

Mr. WHITTINGTON. The powers of the Office of War Mobilization ordinarily would be confined to property acquired for the prosecution of the war. As I understand, under the Executive order, you have

jurisdiction not only of that surplus property but you have jurisdiction over ordinary surplus property acquired in ordinary times.

Mr. CLAYTON. That is correct.

Mr. WHITTINGTON. And you would have to depend upon the Office of War Mobilization to require them to declare property surplus in either case?

Mr. CLAYTON. No, we depend upon the owning agency to declare property surplus when it is no longer essential to their needs or responsibilities. But the Office of War Mobilization, as I understand, has the authority to require them to declare property surplus.

Mr. WHITTINGTON. I understood you to say you did not have the authority to require; you merely dispose of it when they report it?

Mr. CLAYTON. That is correct.

Mr. WHITTINGTON. Now, I have asked you questions generally as to the subject matter of this bill, and it covers both war and other properties.

Does your Executive order cover the disposal of the properties of Government corporations, including administrative property, that they acquired for the functioning of those corporations?

Mr. CLAYTON. If such property is declared surplus by the holding corporation or agency, this order covers it.

Mr. WHITTINGTON. Assuming that the owning corporation has not declared any of its property to be surplus, have you any authority to require them to report it?

Mr. CLAYTON. No, sir.

Mr. WHITTINGTON. Have you any authority to require an inventory of that property, or do you have access to their inventories?

Mr. CLAYTON. Perhaps, but I do not think you will find it here, in exact language, in the Executive order.

If we should ask for it and it should not be furnished, I would think that the Director of the Office of War Mobilization has the authority to require that it be furnished to us.

Mr. WHITTINGTON. I see.

What authority have you under that Executive order to provide for the disposal of surplus land, buildings, and other property acquired by the Federal Government in the prosecution of the war?

Mr. CLAYTON. We have the authority to dispose of such property.

Mr. WHITTINGTON. And have you generally exercised that authority?

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. Notably, what hotels, for instance?

Mr. CLAYTON. I do not think any hotels have been sold.

Mr. WHITTINGTON. What large bodies of land—just some notable case.

Mr. CLAYTON. We are now placing on the market 3,600 acres of farm land in Sangamon County, Ill., for sale. It will be sold at once.

Mr. WHITTINGTON. What type of real property have you disposed of outside of this one that you propose to handle?

Mr. CLAYTON. There was a plant on the ship channel below Houston which was disposed of by the Maritime Commission, with our approval.

There have been one or two small plants disposed of by the Reconstruction Finance Corporation.

There has not been very much real property disposed of because there has been very little of it declared surplus up to this time.



Mr. WHITTINGTON. I so understand.

Generally, you have not disposed of any of the vast real estate holdings of the Government and generally up to date you have not disposed of any of the property of war corporations—just generally speaking.

Mr. CLAYTON. May I say that we ourselves do not dispose of anything actually. We fix the policy and have the general supervision and direction of the disposition.

Mr. WHITTINGTON. That is what I meant by my question.

Mr. CLAYTON. Now, the Reconstruction Finance Corporation, under our supervision and direction, has disposed of considerable property.

Mr. WHITTINGTON. Yes.

The CHAIRMAN. I understand the Reconstruction Finance Corporation has authority to sell everything in its possession without any additional authority from the Executive order.

Mr. CLAYTON. I think that is correct, Mr. Chairman. I would just like to say that this executive order has not created any new power for the sale or disposal of property. This Executive order has merely centralized the responsibility and the authority for disposing of property under existing laws. It has created no new law in that field. I would like to add that with respect to so-called administrative property—what we might call good housekeeping property, desks, typewriters, business machines, and so forth—it is our understanding that the Bureau of the Budget will introduce a bill, or will sponsor the introduction of a bill in Congress relating to property of that character. We hope that they will. We do not think that it belongs in our agency, or that it belongs in temporary legislation. It should be a permanent arrangement, and we would like to see the handling of property of that character lodged in some permanent agency like the Bureau of the Budget.

Mr. WHITTINGTON. I had that very thing in mind when I asked you my initial question with respect to the general provisions of this bill; when I asked you if it covered all Government property—administrative and otherwise.

I understand that the Executive order issued by the President in 1942 did cover that type of property, and I wanted to know if your agency, as now operating and as proposed to operate under this bill, would cover that type of property as well as all other Government-owned property, because my recollection is that under the terms of this bill the power will expire in 3 years, and, to me, it would seem utterly contradictory to vest in you, or in any other agency, the power to dispose of administrative property—and it amounts to quite a good deal—and then let that be a temporary matter after the Government has gone to the expense of providing inventories and reports. That is one reason I asked the question if your bill covered all surplus property, war and peace. And with respect to your suggestion about the Director of the Budget sponsoring a bill for the disposal of surplus administrative property, whether it belongs to corporations owned by the Government and operated by the Government, or by Government agencies, I would like to say for the record that this committee reported a bill, No. 2795, on May 27, 1943, and that bill was permanent law, and it passed the House, according to my recollection, on June 9, 1943. It was a very elaborate bill confined to the disposal of surplus property.



There are something like 100 statutes now on the books authorizing the various agencies of the Government to dispose of surplus property, and the rather extensive hearings conducted by this committee showed that instead of disposing of the property and recovering the funds into the Federal Treasury, there was a disposition to retain that property whether needed or not, and if it were disposed to some agency that Congress had made an appropriation for to acquire such property, there was nothing to require that agency to reimburse the Government for that property. And it was to protect and conserve surplus personal property that this bill, passed by the House and now pending in the Senate, was proposed over a year ago. If H. R. 5125 is intended to cover not only surplus war property but all other property—peacetime and otherwise—I personally think that there should be a modification of its terms if possible and practicable, if that is going to be vested in the Surplus War Administrator, so as to make that permanent law. For that reason I asked you questions concerning what property was generally covered in the bill.

Mr. CLAYTON. I am under the impression that the bill to which you have referred as having been passed by the House last year covers a good deal more than administrative property.

Mr. WHITTINGTON. It does not cover war properties. That is what I mean by calling other properties administrative properties.

Mr. CLAYTON. Be that as it may, we are informed that the Budget is now working on the terms of a bill which they will sponsor to provide that the disposal of surplus property, administrative property, be lodged with them, and we assume that that bill will be introduced in due course.

Mr. WHITTINGTON. Now, would that necessitate any amendments to this bill so as to provide for future legislation for the disposal of surplus administrative property?

Mr. CLAYTON. We do not think that should be done now. As a matter of fact, I do not believe the Budget have their bill ready, and subsequently, as I understand it, they will introduce it, and it will make the necessary amendments to this act which will make it possible for them to continue to handle administrative property. We are in accord with that, but we would not like to see this bill amended to provide for that at this time, because we fear that it might delay the passage of the act, and we would like to see this act passed as quickly as possible. The other matter, which is minor in comparison with the type of properties provided for in this act, can be taken care of subsequently.

Mr. WHITTINGTON. But, frankly now, whatever it may be worth, I think if you are going to administer that property, and it does amount to a great deal of money, you should have some power to require owning agencies to make and submit inventories so that you and the representatives of the Government would know something about surplus property, because it is a big problem now. It was accentuated when we came to abolish the C. C. C. and the National Youth Administration. The National Youth Administration had something like \$60,000,000 to \$75,000,000 worth of property. We did not have any general legislation such as would have obtained under the bill you refer to as being proposed by the Director of the Budget and the one passed by this committee, with the result that there has been an

enormous loss to the Government. It is my thought that the administrators charged with the responsibility, even for 3 years, should have power to handle ordinary surplus administrative property and other Government property.

Mr. CHURCH. Referring to paragraph (e), page 3 of this bill:

The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 7 of this Act.

Then, referring to section 7—

Mr. WHITTINGTON. I had that in mind.

Mr. CHURCH. I cannot understand Mr. Clayton's statement that later on the Budget will come along with another bill, except perhaps you mean that Congress would take up the permanency of this thing rather than the emergency of it.

Mr. CLAYTON. As I say, the Budget is preparing, I am informed—

Mr. CHURCH. Your language here includes everything, even administrative surplus.

Mr. WHITTINGTON. I think you are right. That is the reason I asked the question as I did.

Mr. CLAYTON. We think it should include everything for the present until we get language from the Bureau of the Budget that will be so explicit that there can be no misunderstanding as to what administrative property means.

Mr. CHURCH. We will want the Bureau of the Budget up here then to bring to us at this time what you would bring to us at a later time.

Mr. WHITTINGTON. I think you are right.

Mr. CLAYTON. May I just say that this follows exactly the Executive order, so that we have the problem today under the Executive order of disposing of surplus property to which you refer, that is, administrative property.

Mr. CHURCH. This committee, with some splendid work by Mr. Whittington in particular, and its other members, did a very fine job on the other bill. We did go into those questions of land and the broadness of the language in that other bill. Apparently your language here covers everything.

Mr. CLAYTON. We intended it just as it reads, because we felt that it was only in this way we would be able to get legislation promptly.

I believe, though, that H. R. 2795 is much broader. It covers a much broader subject than merely administrative property, as we understand it. I think that it covers much more than that, and the Budget is working now, as I have already stated, on a bill which I think will be satisfactory to everybody, and which they will sponsor in due course. However, we would not like to have to wait for the final touches to that bill before this bill is passed. This merely enacts into statute what we have today under Executive order.

The Surplus War Property Administration has the responsibility for the disposal of all surplus property of the Government, whether it be administrative, real property, or whatever it may be, and we are working very closely with the Budget on that. I believe what we are doing here is agreeable to them and that in due course they will, as I say, come forward with a bill that will take care of the situation.

Mr. WHITTINGTON. I have a high regard for your views, and you are correct in stating that this bill covers administrative property.

I called attention to the fact that the assets of three institutions to which the Government had appropriated hundreds of millions of dollars, much of which was permanent property, were disposed of in a way that lost the Government money, and if this bill had passed it would have saved the Government a great deal of money. We were building all these conservation projects in the West and there were a lot of bulldozers, property like that, acquired, and I say in passing that that is property that should have been provided for besides administrative property.

I would like to say this, that I am very much interested in your views with respect to the protection of small business, and it strikes me that if your agency is not qualified and prepared to the satisfaction of the small businessman to handle surpluses so that they may get into the hands of the consumers, the small man as well as the big businessman, I do not know of any other agency that would be, notwithstanding the fine work of the Smaller War Plants Corporation.

I would not like to see any rivalry between that Corporation and your administration with respect to the handling of any part of the surplus property. I think it is fundamental that there should be some individual with the final say regarding the handling of surplus property and that it should be disposed of, not only for the benefit of the small businessman but for the benefit of the country generally. In that connection, I would like to ask you if, in your judgment, this bill provides for competitive bidding that would protect the Government in the disposal of land, personal and other property, including the enormous stocks of trucks, the jeeps and airplanes that the Government has acquired, so that as soon as possible those properties may find their way into the hands of the consumer?

Mr. CLAYTON. Yes. I think this bill is broad enough to cover that. Of course, I am sure that you will agree with me that any administrator having the responsibility for placing these vast surpluses on the market will always have to take into account the probable effect on the domestic economy of so doing in each particular case. It is impossible, as I have said often, to fix any formula, or any over-all plan by which this job can be done because the moment at which a particular lot of property is placed on the market has to be considered, and the conditions at this time may be entirely different from what they will be a week later.

Also, many considerations enter into the determination as to when is the proper time to sell and at what place to sell, so that it is impossible to arrive at any formula or over-all formula by which one could do the job. Therefore, we would not always, for example, put property up for competitive bidding in the sense that we would auction it off, or that we would ask for sealed bids. Most types of property at the present time have price ceilings placed on them by the O. P. A., as you know, and they have to be observed, so that not in every case are we able to submit property, advertise it, and ask for sealed bids, or put it up at auction.

Mr. WHITTINGTON. I can understand that, but generally competitive bidding is an actual method of disposing of property so that the large institutions as well as the small ones can handle it. That strikes me as fair to the general public. There may be some type of property that small institutions could not handle to the satisfaction



of the Government. I know that there is going to be, as you do, protest against disposal. Right now, as we know, the metal industry wants us to be pretty slow about disposing of the metals.

I would like to ask you finally if, when you testified before the Post War Economic Policy and Planning Committee on June 16 to June 20 1944, the substance of this bill was available to that committee at that time, and at the time the representatives from the Army, particularly the Director of Matériel of the Armed Services, and other witnesses testified before that committee?

Mr. CLAYTON. Yes; the bill was before them. It was practically the same bill we have here.

Mr. WHITTINGTON. In other words, the details of this particular bill, the substance of it, was available to the Economic Bureau, the Armed Service Forces, and the Federal Works Agency, and the other witnesses who testified before that committee?

Mr. CLAYTON. They helped us write it.

Mr. WHITTINGTON. That is to say, the Army, the Navy, and the Maritime Commission had representatives that sat in as you wrote this bill?

Mr. CLAYTON. They had representatives on our legislative committee. There were 11 agencies that were represented on that committee.

Mr. WHITTINGTON. Who represented the War Department?

Mr. CLAYTON. I think the representative was Mr. Marbury.

Mr. WHITTINGTON. He is general counsel and a very capable man. He is a lawyer. What I would like to know is what representative of the War Department knew about material and requirements of both war and peace sat in with you as you drafted this bill.

Mr. CLAYTON. General Clay. General Clay represents the War Department on our policy board, and he testified for this bill.

Mr. WHITTINGTON. I know he did, and that is the reason I asked you the question. I have a high regard for that lawyer, Mr. Marbury, and I have a high regard for General Clay. They are both capable men.

Mr. CLAYTON. I think so, too.

Mr. WHITTINGTON. What about the Navy? Who represented the battleships and the crews?

Mr. CLAYTON. Captain Strauss represents the Navy on our policy board. Commander Linder and John Kenney served on the committee on legislation. Mr. Kenney is a lawyer.

Mr. WHITTINGTON. I recall Mr. Kenney. As I understand the terms of this bill, it expires 3 years after the termination of hostilities.

Mr. CLAYTON. Yes. The Administrator's term is only 2 years.

Mr. WHITTINGTON. I think that we are very fortunate to have you as the Administrator.

Mr. CLAYTON. Thank you very much.

Mr. WOLVERTON. First, to clarify my own mind as to how broad this act is, do I correctly understand from the answers that you have made to Mr. Whittington's questions that it includes all the departments? In other words, would it include real estate that had been taken by this, that, or the other agencies of the Government under foreclosure proceedings and is now held by them?

Mr. CLAYTON. If they declare it surplus to their needs and responsibilities, it does include that property.

Mr. WOLVERTON. I would assume it would follow that it would be surplus property when a loaning agency finds it necessary to take property because a loan had been defaulted, and they are not in the real-estate business to the extent of wanting to hold that particular property. So am I right in the conclusion then that this will would cover all that property as well?

Mr. CLAYTON. It certainly should not cover real property that some Government agency would be under the necessity of disposing of for a debt. If it does cover it, I think it should be amended.

Mr. WOLVERTON. You say disposing of it for a debt. They dispose of it by a foreclosure proceeding and buy the property in. Therefore, it becomes their property. The Farm Credit, for example, or the Home Owners' Loan, in its liquidation program, they have properties on their hands. Is this bill broad enough to include your jurisdiction over the sale of that property?

Mr. CLAYTON. Technically it is.

Mr. WOLVERTON. If it technically is, it does.

Mr. CLAYTON. That is right.

Mr. WOLVERTON. It would seem to me from a reading of the definition that it very clearly does.

Mr. CLAYTON. I think you are right.

Mr. WOLVERTON. Was it intended to be that way?

Mr. CLAYTON. I do not think it should be that way.

Mr. WOLVERTON. It seems to me that is a pretty big question.

Mr. ZIMMERMAN. The Farm Credit Administration operates under a law set up by Congress. I doubt if that law authorizes the disposition of property taken in because of foreclosure. I doubt if this would affect that type of property.

Mr. CLAYTON. I doubt if it would.

Mr. HOPE. Will you yield to me?

Mr. WOLVERTON. May I just say this first: That a reading of this bill, particularly the definitions, would indicate to me—whether you intend to do so or not is another matter—it does include just that sort of property that Mr. Zimmerman has said is subject already under law to disposal by the particular agency that takes it. Now, of course, that being a law does not prevent the Congress from changing it, and I am concerned to know whether this law changes the disposal sections of these laws that are already in existence with respect to these particular organizations.

Mr. CLAYTON. Under this proposed bill we could not take over any authority or responsibility with respect to any property that might be acquired or might be owned by any corporation that is not wholly owned by the United States Government, and there are a number of corporations under the Farm Credit Administration which are not wholly owned by the United States Government. So this bill must not cover any property of that character.

Mr. WOLVERTON. I am not prepared to go into an explanation of what comes within one class or the other. I am merely asking the general question; does this bill give you authority to sell property of any kind in any agency of the Government?

Mr. CLAYTON. Only if they declare it to be surplus. It does in that case, if they declare it surplus, yes.

Mr. WOLVERTON. Under certain conditions you could declare it to be surplus, unless you want to make the change that you have suggested.

Mr. CLAYTON. The sentence here, which we recommend be deleted, would give us the power after hostilities end to require determination that certain property was surplus. This, of course, is not our proposal.

Mr. WOLVERTON. May I read to you the definition of the term "Government agency" as used in this bill?

Mr. CLAYTON. Yes, sir.

Mr. WOLVERTON. It is clause (a) of section 2:

The term "Government agency" means any executive department, board bureau, independent commission, or other agency in the executive branch of the Federal Government, and any corporation wholly owned and controlled by the United States.

Mr. CLAYTON. Yes, sir.

Mr. WOLVERTON. Now, what does that leave out?

Mr. CLAYTON. It leaves out the type of corporation of which I spoke, in which the United States Government only owns a portion of the shares of the corporation. I would just like to say that in drawing the bill we followed the Executive order. I think you have raised here a question which requires some consideration and some thought with the probability that we may have to suggest, or someone else may have to suggest, an amendment to cover that kind of property.

Mr. WHITTINGTON. The very question that you raise, Mr. Wolverton, was considered by this committee for days and days, as Mr. Church and Mr. Hale know and we went so far as to eliminate the property of these corporations.

Mr. HALE. As provided in section 263 of H. R. 2795.

Mr. WHITTINGTON. That is right, and we were so bothered about it that when we said Government property we eliminated gold and silver, because the words "Government property" come pretty nearly covering everything the Government owns.

I would like to say, Mr. Clayton, that if you depend upon Government agencies to declare surplus, it is going to be too bad for us. The Administrator must have the final say as to what is surplus, because one thing that has impressed me about surplus property is that Government agencies do not declare surpluses in their agencies.

Mr. WOLVERTON. I have a question or two that I would like to ask with reference to what, if any, policy is fixed in this bill with respect to priorities of purchase and price, but before I do that, Mr. Hope asked if I would yield. I would be very glad to yield to Mr. Hope.

Mr. HOPE. I think that has been pretty well covered. What I intended to point out, as Mr. Clayton has said, is, this definition does not probably cover agencies like the Federal land bank and other corporations of that kind which are not wholly owned by the United States Government, because that is owned by those borrowers, and the same thing is true of other agencies in the Farm Credit Administration. So the Surplus Property Administrator would not have any jurisdiction in the disposal of land which had been foreclosed by the Federal land bank.

Mr. WOLVERTON. What about property taken under foreclosure by the Home Owners' Loan Corporation?

Mr. HOPE. I think that would be a different situation.

Mr. COCHRAN. Unless it had been declared surplus you would have no jurisdiction.



Mr. WOLVERTON. The trouble with our banks is that they have too much property. It may be that this bill has been so drawn as to exclude those cases. I doubt it, and I think it does require some thought to determine whether or not it does include it, and if it does, say it does and under what conditions it should include it.

Mr. COCHRAN. Then how about submitting a proviso on it?

Mr. WOLVERTON. Yes; that may be the way to do it.

The other thought that I had in mind, Mr. Clayton, is under section 8, page 8 of the bill, "Disposition by owning agency," that section, clause (a), states:

Any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production, subject only to the regulations of the Administrator with respect to price policies.

Does that mean that if a contractor has some particular material of which there may be a shortage, and which he has in his possession as the result of a priority under W. P. B. in the making of war products that he could hold back to the exclusion of any others who might have need of it in the immediate peace future in their manufacture, or would that other individual have some rights? The reason I raise that question is because we are all aware of the fact that there has been highly critical material that has had to be apportioned by a priority system by those who were using it for war purposes. Now, when the war is ended there may still be a shortage of that particular material that would not enable every manufacturer that has use for it to get it. This would seem to give a priority to the contractor who was fortunate enough during the war to have been doing a construction job that gave him that particular material which he can now use in his peacetime activities. Now, if it does that, would it not seem to give him an advantage over his competitor in peacetime production?

Mr. CLAYTON. This section 8 (a) to which you refer, Mr. Wolverton, would give that contractor the right to retain or dispose of such property only for the purpose of war production, so that when the war is over that section is no longer in force.

Mr. WOLVERTON. I would like to have you, before making a very definite answer to that question, look at the provisions that are contained in the war contracts termination bill. I am a bit fearful that there may be a priority given to the contractors or the subcontractors that will give them an advantage in peacetime production.

Mr. CLAYTON. I hardly see how such an advantage could accrue under this section for peacetime production, because the section specifically relates to war production, and I would like to call your attention to section 22 (b) on page 22.

Mr. COCHRAN. Before you get to that, Mr. Clayton, does not paragraph (c) there leave the final determination in your hands? That is at the bottom of page 8.

Mr. CLAYTON. Paragraph (c) does not apply to (a).

Mr. COCHRAN. But it applies to (b).

Mr. CLAYTON. Yes; it applies to (b); (b) does not deal with the point just discussed in (a).

Mr. WOLVERTON. Now, you have referred to section (b) in section 8.

Mr. CLAYTON. Section 8 (b) merely gives the owning agency the right to dispose of any property which is damaged or worn beyond economical repair, any waste or scrap, and so forth, any products of

industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency, any contractor inventory in its control; that is, under the control of the agency, and any other class or type of surplus property designated by the Administrator. But I would like to call your attention to the fact that every provision of this act, as stated in section 22 (b) on page 22, is subject to the provisions of section 301 of the Second War Powers Act of 1942, or the act of March 11, 1941, that is lend-lease, or acts supplemental thereto, or of any law regulating the exportation of property from the United States.

Section 301 of the Second War Powers Act of 1942 is the priorities authority of the War Production Board, so that every provision of this act is subject to the priorities authority of the War Production Board.

The CHAIRMAN. But does not that come under the Second War Powers Act, that priority provision of the War Production Board, and when the War Powers Act ceases the problem that Mr. Wolverton suggests might arise.

Mr. CLAYTON. Then, of course, the provision in section 8 (a) ceases also because when the war is over you cannot be producing anything for the war, and section 8 (a) relates specifically to war production.

The CHAIRMAN. As I understand Mr. Wolverton, I think what he is fearful of is this: say General Motors has on hand certain critical material that is very difficult for other manufacturers to get for war production, which is owned by the Defense Plant Corporation or some Government agency. Then he fears, as I understand his question, that General Motors gets that property under the provisions of section 8 to the exclusion of all other manufacturers.

Mr. CLAYTON. But they cannot retain it, Mr. Chairman, except for war production under this section 8 (a).

Mr. COCHRAN. Yes; that is right.

Mr. CLAYTON. You are thinking about the power of original acquisition. That was for war production also, but under the provisions of section 8 (a) they can only retain it for war production.

Mr. WOLVERTON. That may be the result of it, Mr. Clayton, but I hope that somebody in the legal fraternity will give that a little more consideration. In view of the other act that has already been passed I am inclined to think it will need some clarification.

The other question I would like to ask, Mr. Clayton, is this: You spoke of a competitive sale of property, and I have in mind the cases of where large military reservations have been built by the taking over of many individual farms, and it has been determined that they do not need this reservation any longer, and therefore they can sell that land. Would that land be sold competitively, or would the farmers from whom it was taken, maybe by condemnation proceedings, have the first priority to take back their property at the price that they received for it?

Mr. CLAYTON. Well, I do not understand that we or any Government agency would have the right to sell Government property at less than its value, and I do not understand that under this act we would have the right, or the Administrator would have the right, to sell Government land to a former owner at the price at which the owner sold it to the Government if that price were less than the market value of the land at the time.

Mr. WOLVERTON. Well, now, let us narrow the question down, Mr. Clayton: Would that farmer be given any rights to take back that farm at its value?

Mr. CLAYTON. I can tell you of the policy which we have adopted in respect to the disposal of three-thousand-six-hundred-odd acres in Sangamon County, Ill., which I have previously explained, and that policy is this: We had the land appraised by competent independent appraisers. We sent registered letters to the former owners around the 20th of July, and told them that until the 15th of August they would have the right to reacquire that land from the Government at the appraised value. I am informed that several of them have indicated that they will reacquire it at the appraised value.

Mr. WOLVERTON. Well, I am inclined to think that is true, that a great many would be glad of the opportunity to do so. Now, that is not a fixed policy under the bill, that a priority will be given to the former owner to purchase the land?

Mr. CLAYTON. Well, Mr. Wolverton, I would like to call your attention to section 12 (c) on page 13, which reads as follows, and this is one of the policies to govern the disposition of property:

To afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property.

Mr. WOLVERTON. You take that, then, as a definite instruction that they shall be given the first opportunity?

Mr. CLAYTON. That is the policy which I would adopt; yes, sir.

Mr. WOLVERTON. Suppose the appraised value of the land was \$100 an acre, and suppose you put it up to competitive bidding, and it brought \$125 an acre, would you give the first priority to that former owner to purchase at the highest bid price or whatever was the assessed valuation, according to which would be greater?

Mr. CLAYTON. The policy which we have adopted, as I explained in the case of the Illinois land, is first, to have the land appraised by competent appraisers, and then to offer the land to the former owner at the appraised value and to give him a reasonable length of time in which to make up his mind as to whether he wishes to reacquire it at that value.

Now, it may interest you to know that, in the case of the Illinois land, the highest appraisal on the land was that one tract was appraised at \$25 an acre more than the Government paid for it, and the average on the 3,600 acres was only \$4 an acre more. In one case a tract of land was appraised at \$34 an acre less than the Government paid for it. Now, we are offering all of those people an opportunity to reacquire their land at its present appraised value.

Mr. WOLVERTON. Suppose that the former owner is of the opinion that it does not have the value that you have appraised it at, and therefore he does not accept your proposition of purchasing it at the appraised value, and then you put it up to competitive bidding, and his judgment is justified by the fact that the highest competitive price was \$34 an acre less than you had appraised it at; would he still have the right to take it at that price?

Mr. CLAYTON. I do not think so.

Mr. WOLVERTON. You do not?

Mr. CLAYTON. No, sir. I think if we let it be known that a man who puts in the highest bid for land may not get it because somebody



else is going to have an opportunity of taking it at his bid, I think it would greatly restrict the number of bidders and adversely affect the Government on the price that would be bid for this land.

Mr. WOLVERTON. Well, that may be true, and yet, on the other hand, there is danger that when it is put up to competitive bidding that absentee purchasers would buy it, you would have an absentee lordship over the land, and they would probably buy it up in great quantities. I think we have all agreed that our national welfare would be much stronger if we had individual owners of the land rather than large out-of-town-absentee landowners.

Mr. GOSSETT. That is a problem that has been giving me grave concern. To be specific, each time I have gone home the chamber of commerce and the farmers have summoned me to come to Cooke County in my district where the Government acquired some 80,000 acres of the best farm land in the county for Camp Howze. It is generally thought that it will be closed shortly. The entire county is greatly concerned lest some land syndicate or some big company come in there and buy up the entire tract of land. The entire community feels that as a matter of fairness and justice the original owners ought to have priority in repurchasing those farm tracts. They are very much concerned that this land be returned to family-sized farms to which it was adaptable, and through which it was a great contribution to the economy of the entire community, and it just seems a matter of fairness that it ought to be handled for the benefit and interest of the local communities and the people from whom it was taken originally.

Mr. WOLVERTON. You have expressed my thought, Mr. Gossett, that the original owners ought to be given priority in repurchasing those lands.

The CHAIRMAN. If we make it mandatory in this bill that the Surplus Property Administrator must offer to the original owners the purchase of this land will we not run into a lot of title difficulties? A lot of the people have moved out, some of the original owners have died, and their heirs are scattered to the four corners of the earth.

Mr. WOLVERTON. I assume any matter of that kind would be properly taken care of in the bill by regulations which can be made. That all can be taken care of the same as notices are given to absentee defendants.

Mr. GOSSETT. The other thought I have in this matter, which I believe to be sound, and I realize the Administrator's difficulties, is that these priorities or options should extend to the original owners who in a great many instances are individual farmers who had their land taken by condemnation, or they were told that it was unpatriotic not to sign a deed over to the Government and they feel that that land was taken too cheaply, that they got cheated in the bargain, so to speak. If this land is to be returned to its original owner, maybe this man has left to reside over in town, and he wants to move back on his farm, and should he not have the right to take it back at the price at which it was taken from him rather than some increased appraisal value?

The CHAIRMAN. Mr. Gossett, if that right be given, would not the farmers who owned the land where the Willow Run plant was built have the right to take the land back with that enormous plant on there?

Mr. GOSSETT. Well, the Government is not going to sell Willow Run back, I refer to land still suitable for farming.

The CHAIRMAN. It will if it is declared surplus. We will have a lot of land that will be declared surplus.

Mr. GOSSETT. For example, here is a little block of 150 acres. A man and his family have owned it for generations. There are no improvements on it. The Government took it at \$50 an acre. If the original owner wants to take it back at \$50 an acre why should he be required to pay \$75 for it?

Mr. WOLVERTON. I did not have in mind that that should apply to improvements such as Willow Run, Mr. Chairman.

Mr. COCHRAN. Will the gentleman yield?

Mr. WOLVERTON. Yes.

Mr. COCHRAN. You are going to run into tremendous difficulties on this. We have a case just about 25 miles from St. Louis, where the first families of Missouri settled, and the Government came and took land, a 10-mile square, they used it for a safety area. They took off of the land all the farmhouses and all the barns and everything on the farms, some of the finest land in the State of Missouri. They appointed a man in Kansas City, which is about as far away as you can get a man and still keep him in the State of Missouri, to appraise that land. The truth was they expected that fellow's value to be based upon the price that the Government paid for the land. He was accused of running the price away up. They sent out all the checks to these people and the individuals went over to St. Charles across the river to get their checks. Where the property was in the name of a man and his wife both had to appear, and there was some delay in getting a man and his wife to come in a great many cases. When a complaint was made about this excess price, why, they stopped payments entirely. Some have not received their money to this day. It has been in court. They had a plant there that cost the Government nearly a \$100,000,000 or something like that, and all of their buildings are gone. How are you going to settle a case like that?

Mr. WOLVERTON. That would not come within the class of cases Mr. Gossett and I are speaking of.

Mr. COOPER. That is the reverse of it. You took a man's farm with his residence, tenant houses, barns, and so forth.

Mr. COCHRAN. Yes.

Mr. COOPER. They all had to be cleared away, and when he goes back to get that land he only gets the land.

Mr. COCHRAN. He should not be required to give all the money he received for the land originally with his buildings taken off of it.

Mr. WOLVERTON. I think you will find in these condemnation proceedings they usually have a value for the land and a value for the improvements, which would include the residence and the barns. That is separate.

Mr. COCHRAN. The lower court decided one case and they are in the court of appeals.

Mr. WOLVERTON. The basic thought I have in mind is to have individual farmers own this land in the national interest and not large syndicates or companies owning it.

Mr. HOPE. I would like to ask Mr. Clayton this question: In the case of this Illinois land that you mentioned, are you offering that, or will you, assuming the owners do not accept their option to purchase

at the appraised value, will you offer that as one tract or are you subdividing that into suitable small tracts for agricultural purposes?

Mr. CLAYTON. May I first read briefly from our regulations having to do with the sale of surplus real property, and then I will answer the question specifically? The regulation which we issued a short time ago, the 26th of July, to the disposal agencies governing the sale of real property, other than industrial property, governing farm lands, ranch lands, and so forth, provides certain basic principles which I would like to read. They are very short:

*Objectives.*—In disposing of surplus real property consisting of real estate other than industrial, Reconstruction Finance Corporation shall seek to achieve the following objectives:

(1) To sell as promptly as possible at current values without undue disruption of the market.

(2) To sell outright, using leases only as temporary measures and reserving the right of Government recapture only if National Defense so requires.

(3) To sell in family-sized parcels and to purchasers who will themselves put the land to productive use.

(4) To give former owners an opportunity to repurchase their land at current market value.

(5) To avoid sales to speculators or persons planning to combine small tracts into large ones for speculative purposes.

The CHAIRMAN. Would you please submit the entire regulation for the record.

Mr. CLAYTON. I'll be glad to do so, sir.

(The matter referred to follows:)

## SURPLUS WAR PROPERTY ADMINISTRATION, REGULATION No. 2

### SCOPE OF REGULATION

This regulation establishes policies to be carried out by Reconstruction Finance Corporation in the disposal of surplus real estate, other than industrial real estate, assigned to it for disposal by the Administration's Regulation No. 1 as supplemented effective August 1, 1944.

The policies here stated are thus not made applicable to disposals of surplus industrial plants, housing property, or community facilities. Such disposals present special problems with which the appropriate disposal agencies are familiar, and in some instances are governed by special statutory provisions.

The principles embodied in this regulation are nevertheless believed to be basically sound in connection with disposals of all types of surplus real estate, and it is recommended that they be observed in the disposal of industrial plants, housing property and community facilities to the extent consistent with the special problems and statutory requirements governing such disposals.

### I. BASIC PRINCIPLES

*A. Objectives.*—In disposing of surplus war property consisting of real estate other than industrial, Reconstruction Finance Corporation shall seek to achieve the following objectives:

(1) To sell as promptly as possible at current values without undue disruption of the market.

(2) To sell outright, using leases only as temporary measures and reserving the right of Government recapture only if national defense so requires.

(3) To sell in family-sized parcels and to purchasers who will themselves put the land to productive use.

(4) To give former owners an opportunity to repurchase their land at current market value.

(5) To avoid sales to speculators or persons planning to combine small tracts into large ones for speculative purposes.



## II. RELATIONS WITH GOVERNMENT AGENCIES

A. *Consultation and assistance.*—Reconstruction Finance Corporation shall request the War Department, the Navy Department, the Department of Justice, the Department of Agriculture, the Department of the Interior, the Public Buildings Administration, the National Housing Agency, the Civil Aeronautics Administration, and such other agencies as Reconstruction Finance Corporation may from time to time select, each to designate a representative to serve on a Surplus Real Estate Advisory Committee to give advice, suggestions, and recommendations to Reconstruction Finance Corporation with reference to the problems of real-estate disposal. Reconstruction Finance Corporation may also call upon other Federal agencies for the performance of appropriate functions in connection with a disposal program or for the temporary assignment of technical personnel, on a loan reimbursable basis, for employment under Reconstruction Finance Corporation supervision. Procedures shall be developed for consultation and cooperation of field agencies.

B. *Transfers to Federal agencies.*—(1) Surplus land which has been used by an owning agency by permit from another Federal agency, shall be returned to the original Federal agency as soon as practicable. Such lands, however, which have Government-owned improvements thereon, need not be returned to the original Federal agency until disposition has been made of the improvements.

(2) (a) Surplus land, upon request and proper authorization from another Federal agency, shall be transferred to the requesting agency; arrangements shall be made for suitable notice of the availability of surplus lands to agencies which seem likely to be interested.

(b) Submarginal and marginal lands, in certain instances, may be temporarily withheld from the market and called to the attention of the Federal agency which is usually interested or which usually administers such land, in order that it may conduct an investigation and request transfer to it of such land.

(c) Surplus lands which are intermingled with, contiguous or proximate to Federal land use projects and which are of the same general character as the original Federal project and suitable for inclusion therein, may be transferred to the Federal agency administering the primary area upon receipt of request and proper authorization. Such intermingled land further shall be temporarily withheld from sale and called to the attention of the interested Federal agency in order that it may conduct an investigation and request such transfer.

(d) Transfers made pursuant to paragraph 2 (a), 2 (b) or 2 (c) above shall be made for a reimbursable amount representing the fair market value, as determined by the Reconstruction Finance Corporation, unless a transfer without reimbursement or transfer of funds is valid under law.

(3) In general where restoration of lands, which are to be returned to other Federal agencies, has not been effected by the owning and declaring agencies, the Reconstruction Finance Corporation shall consult with the declaring agency and recommend to the Administration a course of action, when such appears feasible and the cost thereof reasonable, which may enable restoration of the land to be made.

C. *Transfers to State agencies.*—Cases in which a preference to purchase or lease has been requested by States, counties, municipalities, or political subdivisions thereof, shall be referred by the Reconstruction Finance Corporation with full information and recommendations to the Administration for its decision.

## III. COMMERCIAL SALES

A. *Disposal plans.*—Reconstruction Finance Corporation shall establish procedures whereby, prior to disposing of any substantial land area, such as a camp site or airfield, a general disposal plan for the entire area shall be prepared, with the recommendations of the appropriate field representatives, giving full consideration to views of local individuals, groups, or organizations, and approved by Reconstruction Finance Corporation in Washington, D. C.

B. *Appraisals.*—All disposals shall be preceded by appraisals obtained by Reconstruction Finance Corporation disposing loan agencies. Appraisals shall be made only by experienced individuals who are qualified to do such work. Such individuals may be staff appraisers of Reconstruction Finance Corporation disposing loan agencies, individuals employed on a loan reimbursable basis from other Federal agencies, or independent appraisers in private business. Individuals making appraisals shall be selected from the local territory in which the land to be appraised is located. In sales projects, where a large number of tracts are to

be sold, review spot check appraisals shall be made in the field and all appraisals shall be reviewed by qualified individuals designated as chief appraisers. The basis of appraising shall be the estimation of fair market value which may be defined as the highest price in terms of money which land will bring, if exposed for sale in the open market with reasonable time to find a purchaser, buying with a full knowledge of all the uses and purposes to which it is adapted and for which it is capable of being used. The estimated fair market value of any parcel of real estate shall be for its entirety although the estimated value of land and improvements may be indicated separately as a memorandum. All appraisal reports shall contain the appraiser's certification that he has no interest, direct or indirect, in the property or sale or disposition thereof. Appraisers shall be requested specifically to give full consideration to market values and trends in the territory where the property is located which he is appraising.

C. *Surveys, plats, and lay-outs.*—All real estate to be sold shall be adequately identified by legal description in order that prospective purchasers may know exactly where the property is located and its area. Surveys shall be made, when necessary, and markers or monuments will be placed on the land. While agricultural and other rural land should ordinarily be replotted into family-sized units, it is not contemplated that urban land will be replotted, unless replotting will permit more advantageous sales for the Government. Cooperation shall be maintained with local officials in the matter of providing for roads and other public utilities in replotting land. Orderly and complete disposal, maintenance of market stability, and provision of full economic and productive opportunity to purchasers, may necessitate the subdividing of land into economic use or operating unit areas, without regard to the size of the original tracts acquired by the Government.

D. *Selection of buyers.*—Every effort shall be made to find buyers who will purchase surplus real estate for use and not for speculation. Surplus land shall be sold only in useable units and shall not be sold in large blocks for speculation or to buyers who may wish to assemble large areas of land for speculative future use. When a land unit of sale approximates the original tract, the former owner shall ordinarily be granted a preference to buy at the fair market value as determined by the Reconstruction Finance Corporation. In other cases a preference shall usually be granted to former owners in the area being sold, to purchase any available tract at the fair market value as determined by the Reconstruction Finance Corporation. Such preferences shall be for a reasonable period following publication and written notice to the former owner at his last known address. Preferences referred to herein shall not be extended beyond actual former owners or surviving spouses.

E. *Sales methods and prices.*—(1) Prices: Surplus war real estate shall be sold at fair market values or at prices representing a reasonable departure therefrom, regardless of its original cost.

(2) Procedures: Wide publicity and advertising shall be given to all sales. Advertising shall be through local newspapers and publications and sale signs shall be posted on lands to be sold. Sales may be made by informal bids, sealed bids, or by negotiation. Negotiated sales are considered preferable and should be used more extensively than other methods. Bids shall be subject to rejection, if offers are not considered satisfactory. Adequate cash deposits will be required with each bid. Sufficient time shall be allowed, in the terms of bids or offers from purchasers, to permit adequate consideration and for determinations by the Reconstruction Finance Corporation board of directors. In the event it is determined that surplus real estate cannot be sold within a reasonable period, it may be leased by short-term leases in order to obtain the maximum return pending such time as it may be sold.

(3) Brokers: Where, in its judgment, disposals will thereby be made to the better advantage of the Government, Reconstruction Finance Corporation is authorized to utilize the services of approved and established real-estate brokers. No exclusive listings of real estate shall, however, be made with brokers. Brokers shall not be paid a commission for leasing or selling real estate to another Government agency or to an individual, firm, or corporation sponsored by another Government agency. Commissions not to exceed established conventional rates, ordinarily paid in a particular community, may be paid to brokers who perform the service of producing buyers and negotiating sales to them. Such commissions shall be paid only after sales transactions have been consummated and a further requirement shall be that the buyer will execute an affidavit to the effect that the broker to whom the commission is to be paid is the only broker whom he recognizes or had any dealings with in connection with the sale and that the broker did perform such services as are ordinarily performed by a broker in bringing buyer and seller together.



(4) Salesmen: Sales managers and salesmen may be individuals in the employ of the Reconstruction Finance Corporation Loan Agencies, individuals employed on a loan reimbursable basis from other Federal agencies or independent brokers. Salesmen shall be thoroughly instructed as to their duties and manner of performance before entering upon such duties.

*F. Financing.*—The Reconstruction Finance Corporation shall assist in the financing and extending of credit terms to purchasers, calling to their attention the availability of the loan facilities of other Federal agencies, as well as life-insurance companies, mortgage-loan institutions, and other private financing sources, and making such use of its own loan facilities as are consistent with its lending policies and needed to facilitate the disposal program. The amount of such financing and terms in each case, of course, will depend upon the loan policies of the agency or institution providing such accommodations. All sales, however, shall be firm and not speculative and adequate cash payments shall be required. Purchasers shall be required to provide insurance coverage to protect the interest of any mortgagee.

*G. Conveyances.*—All conveyances of surplus real estate shall be by the usual quitclaim deed or by other appropriate conveyance without representation or warranty. Purchasers may be permitted to copy or inspect any title papers which are in the possession of the Government, at their own expense and at a place designated by the Reconstruction Finance Corporation. Every facility now available to the Government shall be made available to purchasers to minimize the cost of title examination to them. Deeds may provide for a recapture clause in the event that land being conveyed may be required again by the Government in a future national emergency. Decisions as to whether conveyances will contain recapture clauses, shall be made after recommendations have been requested and received from the interested Government agencies such as War Department, Navy Department, Civil Aeronautics Authority, etc.. In general, conveyance instruments shall be of such nature as to vest title in private ownership in order that real estate may be put back on a taxpaying status. Sales contracts in which the Government retains title may be made in exceptional cases when such procedure may be absolutely necessary. Such cases, however, shall be kept at a minimum.

*H. Records and publicity.*—The Reconstruction Finance Corporation shall assemble and maintain adequate and comprehensive records which will indicate clearly the extent of investigation and analysis which it has made in developing disposal plans and in testing out the market prior to making sales. It shall also adopt procedures for keeping the public fully advised of its progress and plans with reference to the disposal of surplus real estate.

*I. Relations with Administration.*—The Administration shall be consulted prior to the making of any major changes in the organization of Reconstruction Finance Corporation for the handling of real-estate disposal, or in its mechanics, policies, or procedures for such disposal, and also prior to the making of any major disposals which may involve questions of policy or the establishment of a precedent.

Washington, D. C., July 26, 1944.

W. L. CLAYTON, *Administrator.*

Mr. CLAYTON. Now, coming to your question about the Illinois land, that land has been replotted in family-sized parcels of 100, 120, or 160 acres, whichever seemed to be the right size, and is being offered or will be offered in tracts of that size.

Mr. HOPE. It has been appraised, has it; an appraisal has been made in tracts of that size?

Mr. CLAYTON. Yes, sir; appraisals have been made of those tracts as replotted and, as I recall, the replotting of the land certainly conforms, as nearly as possible, to the original boundary of the original farms.

I would just like to say a word about this matter of giving the original owner an opportunity to reacquire his property at the price at which he sold to the Government. I want to say, first of all, I have the greatest sympathy for that idea; but, when you come to try to put it into practice administratively, it has many, many very difficult aspects. For example, how far back will you go from the point of view



of acquisition of the property by the Government, to say that the original owner shall have a right to reacquire at it the price at which he sold to the Government? Will we go back to property acquired by the Government in the First World War? If not, at what time will we start? The next question is how far forward will you go to give him that right. Will you say you will go 2 years from now, 3 years from now, or 10 years from now?

The next thing is that in many cases, as has been mentioned, improvements have been taken from the land and other improvements have been added to the land. How do we arrive at an adjustment of values in those circumstances? I know of cases, and they will be quite frequent, where land has been taken for an Army camp where water has been made available to the land, running water, water-works, sewage, and things of that kind; where roads have been laid, concrete roads have been laid thereon. How do you arrive at an adjustment of matters of that sort?

Then there is, of course, the over-all broad principle that as soon as you say that former owners should have the right to reacquire their land at the price at which they sold it—should have the opportunity, I should say—you introduce at once the element of adverse selection against the Government.

I have just given you an example of Sangamon County land where one farm is valued at \$25 an acre more than the Government paid for it. That was the extreme on the up side. Another farm is valued at \$34 less than the Government paid for it. That is the extreme on the down side. The average is \$4 an acre appraised value over what the Government paid for it.

MR. HOPE. Is this difference in appraised value due in any degree to the use which has been made of the land by the Government?

MR. CLAYTON. No, sir; it is not due at all to the use that has been made of it. As a matter of fact, not very much use has been made of it, except much of it has been leased by the Government and has been in cultivation. And in the case of the land valued at \$25 an acre more than the Government paid for it, there has been no change in its character whatever; that is, the same improvements are there that were there when the Government bought it. I am sorry I did not look up more in detail the case of the land valued at \$34 an acre less than the Government paid for it. Undoubtedly some of that less value will be due to the removal of some improvements, maybe the house and the barn. But you can see at once that every former owner whose land is worth more than what he sold it for will be interested in reacquiring it; but everyone whose land is worth less—and there will be a good deal—will not be so interested. So that you have at once the factor of adverse selection against the Government.

I just mention that, because it is important. So that while I think we all deeply sympathize with the principle involved in this idea, when you try to put it into a statute and when an administrator tries to administer it fairly and equitably, both to the Government and the former owner, you can see, I believe, from a few of the cases I have cited, that there are great difficulties involved.

MR. HOPE. I would like to ask one more question or, rather, make an observation. I doubt if it is going to be of such great importance as to whether former owners have the right to reacquire this land; because my observation has been that in most cases if they still

wanted to farm they went out and bought other land where the Government took their land. Of course, some of them might have gone to war plants and decided to follow that during the war and resume farming afterward, but I think in a great many cases, and particularly those that have come under my observation, former owners have acquired other land and probably would not be interested.

In the second place, it is very seldom that the use of land for military purposes has added anything to its value for agricultural purposes and in almost every case, if it has been used for military purposes, it has less value now for agricultural purposes than it had previously. So that there will be many cases where the former owners would not want to go back and buy the land at what its value was at the time they sold it.

I do not think that is so important, but I do think it is very important that these sales be made on the basis of acquisition as small farms. I think that is much more important than the matter of letting former owners have the opportunity to reacquire and I am glad to note, in your regulations which you read a while ago, that you do make that very clear—that they are to be sold that way.

Mr. WHITTINGTON. When Mr. Wolverton originally asked the question, without any desire to interrupt you, I desire to call attention to section E on page 13, and it strikes me it is difficult to improve on this language, for is it not true, Mr. Clayton, that the amount paid, either by agreement or by condemnation, for Government-acquired property, depends very largely upon the date it was acquired?

I have in mind land acquired in 1940. Take the Home Owners' Loan Corporation: Its assets were nothing like in 1940 what they are in 1943. There have been increases in land values. Our Government has to take less in some cases, you say, and certainly it ought to have the right to acquire more in other cases, but in every case give the former owner an opportunity to reacquire his property.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. That language is pretty difficult to improve.

Mr. GOSSETT. I think that is a very excellent directive that the Administrator has read, with certain exceptions. Now granting the administrative difficulties of going back or going forward, could not you just arbitrarily set both the back and forward dates? There ought to be some provision in there, within some time, at the same price, that the original owner would have the option to repurchase. Then if he does not exercise his option in time, he does not have a right to complain. The land could then be sold to some other purchaser at any reasonable price.

The CHAIRMAN. But suppose he has a minor child?

Mr. GOSSETT. Well, you cannot take care of all those things.

The CHAIRMAN. But you cannot cut off the minor child's right to acquire.

Mr. GOSSETT. You have cut off everybody's right to acquire, under this language here. But to come back to my specific case—and I am sure it is no different from other cases in the county I have mentioned—the original owners were compelled to surrender their land to the Government. Many of them wanted to retain their mineral right, because that country all has great mineral possibilities, and while there has been some exploration on neighboring owners' land and land adjoining has been leasing for \$10 or \$15 an acre, they were not permitted to keep their mineral rights.

Now is the Government, in these appraisals, going to appraise the increased value due to the possibility of oil? If so, the original owner is now done an injustice, because he was not permitted to retain his mineral rights. His land has greatly increased because of the possibility of oil and he just cannot buy it back at the increased valuation, because it will be substantially greater than that for which he was paid.

Mr. CLAYTON. I would not think there would be any doubt that the appraisals would represent the current local market value of the land, however that value may be made up, whether it was the agricultural value, the oil value, speculative value, or however it was made up. The appraisals should certainly represent the going market value of the land and I take it that the purchase price the Government paid when it acquired the land also represented the going market value of the land. Otherwise, the seller would have been able to obtain that value in the courts.

Mr. GOSSETT. The thing I have in mind, Mr. Clayton, is this, that within 6 months, within a year, or within any arbitrary time you should set after this land has been declared surplus and after the Government seeks to dispose of it, then the original owner ought to have the right to acquire it back at not more than the price which he was paid for it, regardless of increased value.

Mr. WHITTINGTON. Where they paid too much, how are you going to protect the Government if the Government paid too much?

Mr. GOSSETT. He would have to pay whatever the Government paid him for it.

Mr. WHITTINGTON. And naturally, then, he doesn't want it.

Mr. GOSSETT. Or, if it was appraised less, he should take it at the lesser appraised value.

Mr. WHITTINGTON. I think you have to have the appraised value.

Mr. COCHRAN. On the other hand, see the difficulties you get into. Say they take your land, pay you \$10,000, and keep it for 4 years. You want it back and if, 2 years from now, they want you to pay \$10,000 and you pay \$10,000 for it, all you have is the Government using your land for nothing for 4 years. All those difficulties are going to come up; all those things are going to be present at the time you try to make settlement in returning the land.

The Government has no right to have land for nothing when it belongs to citizens of this country, and those things will have to be taken into consideration. It seems to me it is a matter of honest administration, protecting the individual as well as not losing sight of the fact that we are supposed to protect the Government also. But we have to be fair.

The CHAIRMAN. Mr. Clayton, there has been a suggestion made that these farm lands be turned over to the Secretary of Agriculture, or the Farm Security Administration, to be disposed of by them, or to be held and leased to farmers, with the Farm Security Administration retaining the management of the property like they do now under some of our programs. What are your views on that?

Mr. CLAYTON. Well, Mr. Chairman, we had to make a decision on that. We appointed a committee, of which Colonel O'Brien, of the War Department, who is at the head of the Real Estate Division of the War Department which acquired practically all of these lands, was chairman, and on which all the interested agencies of the Government were represented—the Department of Agriculture, Department of the



Interior, and other agencies of the Government. And one of the first tasks of that committee was to study and recommend to us what agency of the Government should be appointed as the disposal agency of those lands. They could not agree and they recommended two agencies and left it to me to decide. Those agencies were the Reconstruction Finance Corporation and the Public Buildings Administration, which is a part, as you know, of the Federal Works Agency. I made a very careful study of it. We had at that time Colonel O'Byrne as head of our Real Estate Division on S. W. P. A. I referred it to him, asked him to study the report and make me a recommendation, which he did, and he recommended that I select the R. F. C. as the disposal agency.

The CHAIRMAN. But you never considered the Farm Security Administration, other than as part of the Department of Agriculture?

Mr. CLAYTON. I assume the committee we appointed did consider them. And, as I say, the report of the committee recommended two agencies—one the R. F. C. and the other the P. B. A. and I decided on the R. F. C. as the disposal agency and turned it over to them.

The CHAIRMAN. There has also been a suggestion that the lands be held and sold to returning war veterans. Of course if you give them a priority to purchase the land, the original owners would be cut off. What is your position on that?

Mr. CLAYTON. Generally, on priorities and preferences, we have taken the position that it would be best not to name any priorities or preferences in the statute, except in some minor particulars here which we have included, as, for example, to afford former owners of surplus real property an opportunity to reacquire it. That does not really state, in so many words, a priority position, but it implies it, and we are following that policy now. But, generally speaking, we do not think it would be wise to attempt to include in the bill instructions to the Administrator as to priorities or preferences.

Mr. FOLSOM. You have a priority given in paragraph (c) on page 12.

Mr. CLAYTON. Yes; we have that also. I read now from section 12 (c), which comes under the definition of policies covering disposition, page 12, line 14. Section (c) reads—

to afford returning veterans an opportunity to establish themselves as proprietors of agricultural and business enterprises.

Now, I want to say I just do not yield to anybody in a feeling of responsibility on the part of all of us to these returning veterans. I have that feeling very deeply and I think they should be given every opportunity. But I think, if you try to put that in specific language, you are going to present us with many very great administrative difficulties. For example, which veterans would you give priority to, or which veteran? And I think you have to leave it in rather general terms, as we have stated it here, being sure that public opinion in favor of such a thing would be so great that any administrator having the responsibility would see that that policy, as far as he could carry it out, was carried out.

Mr. WHITTINGTON. In connection with subparagraph (c) on page 12, and with all deference—for it strikes me that Mr. Clayton has covered the matter fully in his statement, I have concrete cases that have been brought to my attention and, in connection with priorities to proprietors of agricultural and business enterprises, I am thinking of the professions. I am thinking of the physicians, surgeons and

dentists. In some cases I am advised the Government acquired the office fixtures of dentists, physicians and surgeons and those men have now been discharged. I have a concrete case in mind. Because of priorities, they are unable to obtain new equipment. Now it strikes me if there is any property that can be disposed of for the professions—like you, I am for the farmer—we ought to consider it. And I am wondering if you have had any experience thus far with that, because there have been vast improvements in that character of equipment, and these men who have used the dentist and surgical equipment, new material, are most anxious to get the war equipment, because it is better now than it was then.

The CHAIRMAN. Such an act was passed after the last war.

Mr. WHITTINGTON. Yes, as I recall, it was. Would you object to broadening that language so as to provide for those people?

Mr. CLAYTON. No, sir; we would have no objection to including the professions.

(Thereupon the committee took a recess until 2 p. m.)

#### AFTERNOON SESSION

The committee reassembled, pursuant to the taking of recess, at 2 p. m., Hon. Carter Manasco (chairman) presiding.

#### STATEMENT OF WILLIAM L. CLAYTON, SURPLUS WAR PROPERTY ADMINISTRATOR—Continued

The CHAIRMAN. The committee will come to order.

Mr. Clayton, in our discussion this morning you were speaking of section 8 of the bill.

I notice in subsection (1) of paragraph (b), on line 13, page 8, it is provided that "any property which is damaged or worn beyond economical repair," can be sold by the operating agency?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Without having to go through the Surplus Property Administrator.

The question that occurs to me is this: Suppose you have a typewriter, an airplane motor, or a truck that the operating agency decides is worn beyond economical repair. That is sold to one person and then resold to another person, and that person finds that the truck or typewriter, or airplane motor, is quite severely damaged in a way which he could not observe when purchased, and he would think that the original manufacturer was responsible for that condition. Is there some way by which the name of the original manufacturer could be taken off of the commodity when it is sold? We will say, for instance, that it was a product of the Chrysler Motor Co. which might be sold under those conditions, and thus damage the reputation of the Chrysler Motor Co.

Mr. CLAYTON. I think it will be difficult to remove that identification mark. Of course, the Chrysler Co. takes that chance on all second-hand cars sold in the market. It is no greater chance than they take every day.

The CHAIRMAN. In the case of most second-hand cars there is usually a dealer's warranty for 30 or 90 days, but in this case there will not be any dealer's warranty.

Mr. CLAYTON. In the case of all used trucks and cars, and new cars, too, for that matter, our regulations provide that they are to be sold only to dealers.

The CHAIRMAN. In other words, under your regulations a farmer or a sawmill operator could not buy one of those trucks?

Mr. CLAYTON. Not directly. In view of the great need by farmers for those trucks we arranged that if a farmer would get a certificate of necessity, which he could do by establishing his need for that truck, he could arrange for the dealer to get it for him. Many of them have been disposed of in that way. We have made trucks available where crops were in danger of being lost because of lack of transportation, such as in the Georgia and Arkansas peach areas and in the southern Texas wheat area.

But we have found, Mr. Chairman, that the only sure way in which we could dispose of property of almost every character is through the regular channels of trade. It would be impossible under present critical manpower conditions for the Government to build an organization of sufficient size and scope to deal directly with its 130,000,000 citizens. It could not do it.

And I seriously question the advisability of doing it, if it could, because it would be setting up a number of Government organizations to compete with private organizations that now exist.

Of course, in connection with this particular point to which you refer, where the bill provides that "Any owning agency may dispose of any property which is damaged or worn out beyond economical repair," I take it that means salvage or scrap operations.

The CHAIRMAN. Of course, they might sell some things that, to the operating agency, may seem to be damaged or worn beyond economical repair, but which somebody may be able to use.

Mr. HALE. Paragraph (2) relates specifically to waste, salvage, and scrap, so there must be some difference there.

Mr. CLAYTON. Paragraph (2) relates to "Any waste, salvage, scrap, or other similar items," and by "scrap" is meant property that is generally understood to be what is commercially used as scrap. An automobile might not be considered commercially as scrap, although it may have been worn or damaged beyond economical repair.

Mr. COCHRAN. Take paragraph (3). That includes food, does it not?

Mr. CLAYTON. That could include food; yes, sir. It would be only food grown by an agency, as, for example, something which the Department of Agriculture might produce on an experimental farm.

That refers to things like the power which is produced by T. V. A. If we did not have that clause there T. V. A. would have to declare their power surplus and dispose of it through the R. F. C.

Mr. COCHRAN. You do not mean, in paragraph (3) to cover all such products where you say:

Any products of industrial, research, agricultural, or livestock operations——

Mr. CLAYTON. If you will read all of that together——

Mr. COCHRAN. It also says:

or of any public works construction or maintenance project, carried on by such agency.

"By such agency" restricts that paragraph to the agency in both cases?



Mr. CLAYTON. Yes, sir.

The CHAIRMAN. In reference to a provision on page 10, section 10, for transfers between Government agencies, I have noticed that in some of the catalogs sent out the Government agency has 20 days, I think from the date when surplus is declared, to purchase the surplus. That is, the agency has a priority of 20 days over ordinary civilians.

Mr. CLAYTON. Yes, sir; 20 days from the date the announcement goes out of the availability of the surplus.

The CHAIRMAN. Is that done under the Executive order or under some statute?

Mr. CLAYTON. I do not think there is any statute; I think it is done by common consent.

Mr. COCHRAN. Yes; there is a statute. The Procurement Division of the Treasury Department is set up for that purpose and nothing can be sold even as surplus by the Procurement Division until the head of that division has circularized other Government agencies to determine whether they are in need of such articles.

I know that the Budget Bureau gets a statement from the Procurement Division in reference to that matter and it acts accordingly on the budget of that particular agency which takes over that surplus property. In other words, it ties up part of their appropriation.

Mr. CLAYTON. Yes.

Mr. COCHRAN. They have been doing that for years and years. Before you can sell any desks or typewriters, or anything of that kind in normal times you have to determine whether another agency needs that, and when any new agency is set up they always let the new agency go to the Procurement Division to see if they have any material that the new agency needs. That is the law today and always has been the law.

Mr. CLAYTON. Then I was just mistaken. I recall now there is such a law, and I recall that the Procurement Division has been acting that way for a long time.

Mr. COCHRAN. They have a very efficient organization.

Mr. CLAYTON. We find that to be true.

Mr. COCHRAN. They separated what used to be the Supervising Architect's Office from Procurement, and they put in charge of Procurement Admiral Peoples who was a very efficient man and he was in charge of that for years. They finally took Public Buildings away from that Office and put that under Mr. Reynolds in the Federal Works Agency. The Procurement Division is operating under an existing statute and has operated that way for years and is also the purchasing agent for every executive agency.

It so happens that I do the purchasing for the House and everybody has had to purchase through the Procurement Division since I have been the chairman of that committee.

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Under paragraph (b) of section 10 it is provided that—

The disposal agency responsible for any such property shall transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

Suppose the War Department were to transfer to the Department of the Interior \$100,000,000 worth of surplus property. How is the Department of the Interior going to pay for that?

Mr. CLAYTON. It would have to have an appropriation to pay for it, and it would pay for it out of the appropriation at the values fixed by the disposal agency. The War Department would not transfer it direct to the Department of the Interior. They declare the property surplus to the disposal agency and that agency would arrange the transfer.

The CHAIRMAN. Would that \$100,000,000 be turned over to the War Department or deposited in the Treasury, in the general fund?

Mr. CLAYTON. It all goes to the Treasury in the general fund, as provided in this bill.

Mr. COCHRAN. You ought to say \$100,000 instead of \$100,000,000, because nobody will give a department \$100,000,000 with which to buy supplies.

The CHAIRMAN. The general impression seems to exist throughout the country that that can be done under existing law, but the money must be appropriated by Congress for purchases by any Government agency.

Mr. CLAYTON. That is right.

The CHAIRMAN. They cannot augment an appropriation already denied by Congress by transfer from one department to another department.

Mr. CLAYTON. No.

The CHAIRMAN. I wanted to get that cleared up.

Mr. CLAYTON. Section 17 (a) of this bill reads:

All proceeds from any transfer or disposition of property under this Act shall be deposited and covered into the Treasury as Miscellaneous Receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

Those relate to expenses. There are no relevant exceptions there.

The CHAIRMAN. I knew that was correct, but I wanted to get that clear in the record, because a lot of people are under the impression that that can be done.

After the last World War we sold to the French Government a lot of surplus, or the French Government was given credit by us, but never paid for it. We sold them blankets, trucks, and other things like that, and then the manufacturers in France went to the Government and said, "If you are going to sell those things to the people, how will we be able to give jobs to returning veterans?"

The French Government sold that property to American brokers for a very nominal sum, and then the American brokers sold it to the American people in competition with our manufacturers and sold that same property at exorbitant profits.

Is there anything in this bill that would prohibit a recurrence of such transactions?

Mr. CLAYTON. There is nothing in this bill that sets up machinery to prevent the reimportation into the United States of surplus property sold abroad.

The CHAIRMAN. Can it be done administratively?

Mr. CLAYTON. I doubt very seriously if it can be satisfactorily accomplished by statute.

We appointed a committee to study the various problems relating to the disposal of surpluses abroad, and that committee has had this

question as one of the matters it was to consider and report on. I have not yet received, officially, the report of the committee, but I understand that it will advise that no law be passed, or any device be set up to prevent the reimportation of goods of that character into the United States. You may be interested to know that a very careful investigation of what happened after the other World War shows that about \$150,000 worth of that property came back to this country. It may have come back in a form that may have been changed, but it could not be identified. Less than \$150,000 of such property was reentered into the United States.

Mr. COCHRAN. Did not the French Government sell most of that property to countries in Europe, and instead of paying us, put that money in their pocket and never paid us for it to this day?

This is the first time I have heard that it was brought back into this country. We would know if it came back because it would be subject to duties under the tariff law.

The CHAIRMAN. Under this bill is it not true that the Foreign Economic Administration could have turned over to France, Italy, or Tunisia, we will say, 200,000 woolen blankets that probably cost us a minimum of \$7, and then, if they wanted to, they could sell those blankets to a broker in France or Italy for \$1, and in turn that broker could send them here and pay the tariff duty on the dollar and not on the \$7, and sell those blankets in the American market much cheaper than they could be manufactured in this country. Is not that true under the provisions of this bill?

Mr. CLAYTON. Theoretically it is, but actually I do not think it is, because one of the advantages of centralizing this whole problem in one agency is to coordinate the selling policies of this property all over the world. The Administrator of this agency would be responsible, and as I see it, the selling policies and selling prices of this property would be so closely related that it would not be possible, to any serious degree, for any of this property sold abroad to flow back to this country in competition either with current production or with sales of surplus property located here.

It would be our duty so to fix the selling policies of these goods, and the geographical and transportation difficulties involved in the movement would become a great problem. We would not sell blankets for a dollar apiece in France if they were being sold at \$5 here because we would know it would be possible for them to flow back here and affect our manufacturers here. It would be our duty to prevent that.

Mr. GOSSETT. Suppose some broker in this country wanted to buy 100,000 blankets. Suppose the War Department had that number stored in some quartermaster depot; would they sell them to any transient agent that came along?

Mr. CLAYTON. You ask if the War Department would have them stored in some depot abroad?

Mr. GOSSETT. No, in this country.

Mr. CLAYTON. No, the War Department is not——

Mr. GOSSETT. The thing that small merchants are afraid of is somebody setting up a second-hand store and selling Government shoes, blankets, and other articles at a fraction of what the local merchant can sell them for in any established business in competition with them.



Mr. CLAYTON. Neither under the present Executive order nor under this proposed bill would the War Department be authorized to make any sales whatever of those blankets. If the blankets were surplus to their needs, they would so declare them and the Procurement Division of the Treasury would sell them under our supervision and under our regulations.

Mr. GOSSETT. You spoke of these things being handled through regular channels of trade. Would you attempt to put those blankets and those shoes and other things of that kind into the regular channels of trade, or would you permit anybody who came along to buy them?

Mr. CLAYTON. We do our best to see that these surpluses are distributed through the regular channels of trade, by which we mean through individuals and firms regularly established in merchandising the particular commodity we are trying to sell. We have not made an inflexible and unvariable rule.

I gave this example in my testimony before the Senate committee on June 16 that the Procurement Division of the Treasury Department had some refrigerators to sell. They were rather cheap refrigerators.

The best offer they could get from people regularly in the business of distributing refrigerators was less than \$45 a box, and some man came along who, so far as they knew, had never distributed refrigerators. He offered \$55 a box, and they took the \$55, because I do not think we can go to an extreme in trying to protect this principle. There is always a danger if we say we will not sell to anybody except people regularly in the business. There is the possibility that those people might get together and divide the business among them so that the Government would not get the real value.

So we try always to sell to people regularly engaged in the business, but we do not say we will not sell to somebody else.

Mr. McCONNELL. If the regular channels of business did not want a certain product, that would not deter you from selling to somebody who would want it. Some speculator might come along; would you sell it to him?

Mr. CLAYTON. Yes; we would; I mean we would not say we would not sell them to him. We would examine very carefully all the conditions surrounding the situation before we traded with him.

We are opposed, in principle, to selling this property in big blocks to people who obviously are looking for an opportunity for buying surplus property.

We have regulations respecting the sale of this property which provide that it will be sold in small quantities.

In connection with the sale of trucks, the regulations provided that a man could buy a single truck and there was a limit on the total number he could buy. I have forgotten what that was, but it was moderate.

So all of our policies are patterned to try to make this property available to everybody who has a right to engage in the distribution of the property.

The CHAIRMAN. You could not limit the resale price?

Mr. CLAYTON. We have in some cases. Of course, the O. P. A. limits that in most cases.

The CHAIRMAN. As I understand it they have placed a general ceiling on trucks, that is, trucks sold to individual dealers. If a

fellow could buy a jeep for \$100 from the Procurement Division and sell that for the ceiling price it might be \$800. Could you not provide in a case where a commodity sold for 10 percent of its value that a person who bought it could sell it for not more than 20 percent?

Mr. CLAYTON. We can provide that.

The CHAIRMAN. That instrumentality could be used for discouraging speculators from going into the surplus property market.

Mr. CLAYTON. We can impose a condition of that kind.

The CHAIRMAN. I want to ask you a question about war plants. We have some enormous plants owned by the Defense Plant Corporation, such as the bomber plant at Marietta, Ga., and several others. Those buildings are too large for most small business concerns, or even large business concerns to purchase. I wonder if any thought has been given to the possibility of selling those buildings to individuals by sections, so many square feet to an individual, partnership, or corporation.

Mr. CLAYTON. We are making a very careful study of the idea of in some way dividing up these big plants for use by a large number of small manufacturers.

Of course, that principle has had some small development in this country as, for example, the Bush Terminal, the Amoskeag Mill in New England, which was a very large plant which was developed in that way, and the Furniture Mart in Chicago. There have also been several examples in England.

We are studying these things and trying to work out some scheme for making use of these very large plants in that way.

The CHAIRMAN. Operated, preferably, by local operators.

Mr. CLAYTON. Yes, sir. As to whether these should be sold in sections to remain in place, or whether the property should be leased to different operators or some central service agency to supply heat, light and other services, we have not gone far enough yet in our investigations to determine which is the best method.

The CHAIRMAN. It seems to me that the airplane plant at Marietta, Ga., would be large enough to manufacture all the planes we could use in this country in peacetime.

Mr. CLAYTON. That is a very big plant.

The CHAIRMAN. There is an enormous amount of machinery that might not be used by people who would buy such plants. Does this bill authorize you to sell such machinery?

Mr. CLAYTON. Yes, sir; we have already worked out a price policy for machine tools, of which the Government has several hundred thousand costing about two and one-half billion dollars. We have worked out a price policy for that.

The CHAIRMAN. Is any study being given to the use of a lot of these large plants for storage facilities?

Mr. CLAYTON. Yes, sir, we have a lot of that kind.

The CHAIRMAN. So we do not have to rent a large amount of warehouse space?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. What about your part facilities near large cities? Have you given any thought to the possibility of holding these port facilities and letting the cities have the use of them for a nominal sum, or selling them outright to them, with a clause in the contract providing that if we were to get into another war we could reacquire those

facilities and pay the city for any necessary improvements to the property, plus the original cost to the city?

Has any thought been given to that?

Mr. CLAYTON. Very little consideration has been given to that aspect of the matter. We have not reached that as yet.

The CHAIRMAN. I have understood that one warehouse at one port of embarkation, for example, which we had in the last war, cost the Government about \$20,000,000 and we sold it for \$2,000,000. I think provision ought to be made so we would be able to buy it back for \$2,000,000 if we find it necessary to take it over again, and I am wondering if you have given consideration to incorporating an idea of that kind in a sales contract.

Mr. CLAYTON. We certainly will try to avoid any such unprofitable transaction.

The CHAIRMAN. That is all I have at the moment.

Mr. RANDOLPH. Mr. Clayton, I want to direct your attention for a moment to section 14 on page 14. I am sure we can all understand the designation of a special formula for disposition of Government-owned plants in the manufacture of synthetic rubber and aluminum. I am wondering, however, if the specific treatment which is set forth in section 14 should not conceivably apply to other Government-owned plants of certain types of materials.

Mr. CLAYTON. It might. We could not think of any other that had the same aspects as synthetic rubber or aluminum. As you say, the reasons for that occur to all of us as being obvious. I do not think the same reasons would apply to a magnesium plant or an aircraft factory or a steel plant. Those two products were the only ones that we could think of that had those particular characteristics.

Mr. RANDOLPH. I am wondering if we might find it advisable to place a further or qualifying provision in section 14 so that the channels would be open, if such a situation arose, whereby there could be included a type of product, plant or factory that is Government owned that would fall in this special category of treatment.

Mr. CLAYTON. The difficulty about that is that we are likely to have people representing sectional or vocational interests insert quite a few types of plants in that provision, and whenever that is done, why, of course, you hold them off the market just that long.

We are trying to limit this as much as possible, with the idea that we would like to put on the market as many of these plants as we possibly can in order to make them available to industry, get them into private hands, and thereby help in that way to start up commercial activities and afford employment. Under this provision, synthetic rubber and aluminum plants or any other plants that might be added would have to be held off the market for some time.

Mr. COCHRAN. In that event you would have to submit the proposition to the Congress, to give Congress the opportunity to say what disposition should be made and whether you could sell them.

Mr. CLAYTON. That is right.

Mr. RANDOLPH. I so realize, and I am in agreement that the Congress will have the responsibility to fix the policy with reference to the disposition of these two types of products. Personally I am against the scrapping after the war, of the synthetic rubber plants which we have built. I have asked the question for information so that the committee might possibly give consideration to the need of some qualifying language in addition to these two items. And, you



voice an objection which I can well understand, that there would be no doubt be certain sectional interests endeavor to insert other types of plants which might adversely affect the purposes of the bill.

Mr. CLAYTON. Yes.

The CHAIRMAN. It is not contemplated that the Government itself is going to continue the operation of the synthetic rubber plants or the aluminium plants, is it? Is it not the purpose that private business take them over when the war is over?

Mr. CLAYTON. Mr. Chairman, that I do not know. I would think that is completely in the lap of Congress, and the question of the use of the synthetic rubber plants following this war is one of the most important questions I think that relate to the surplus property disposal which the Congress has under consideration.

The CHAIRMAN. But this act does not authorize the Government to operate these plants in competition with private business, does it?

Mr. CLAYTON. No.

The CHAIRMAN. And if their operation is continued it will have to be under some act of the Congress, which will have to provide the appropriation, and the agency involved would have to come to Congress to get the money.

Mr. CLAYTON. That is right.

The CHAIRMAN. There is a fear in the minds of some people that this bill provides for the operation.

Mr. CLAYTON. No; this bill does not provide for that, except for a temporary period to facilitate disposition.

The CHAIRMAN. I want that made clear because that thought seems to be in the minds of some people.

Mr. HALE. Mr. Chairman, I would like to ask Mr. Clayton one or two questions.

The CHAIRMAN. Yes; Mr. Hale.

Mr. HALE. In reference to the suggestion made in the Chairman's question, Mr. Clayton, we have in my district across the harbor from my city some big shipyards. What is going to be the Government's policy in reference to things like that? Is it the purpose to make sales of such things as an integrated plant or an operating unit, or to scrap them and sell them piecemeal. Or has any definite policy been established?

Mr. CLAYTON. That is a shipbuilding yard you speak of?

Mr. HALE. Yes.

Mr. CLAYTON. No policy has been arrived at about shipbuilding facilities, but I think we all know that we have a great surplus of them in this country and that it would be impossible for them to continue to operate for the purposes for which they were built, that is, building ships.

Mr. HALE. There is no doubt about that. The question in my mind is this: It would be one thing to sell a shipyard, or to sell a part of the yard to somebody who might use it on a diminished scale, or to scrap the whole thing and sell the cranes, the molds and so forth.

Mr. CLAYTON. Well, obviously I think that if private facilities can be sold to continue in operation in the production of things in which they were engaged during the war it will be just that much better. But with respect to aircraft factories, aluminum factories, magnesium factories, shipbuilding facilities, we know that the capacity is far beyond any civilian use of those things.

Mr. HALE. No doubt about that, and there is nothing in this bill which defines the policy?

Mr. CLAYTON. No.

Mr. HALE. And as I understand you there could be nothing put in the statute; that is, it should be a matter of regulation?

Mr. CLAYTON. That is what I think. I do not think you can lay down policies covering all of these things, because what you might decide on today might be very wrong a year or so from now, or even 6 months; conditions change so rapidly.

May I just call your attention to the general objectives stated in the bill.

(a) To assure the most effective use of such property for the purpose of war and national defense.

Mr. HALE. Where is that stated?

Mr. CLAYTON. That is in the beginning of the bill, section 1 (a).

Mr. HALE. And also in section 12.

Mr. CLAYTON. Yes.

(b) To facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment.

(c) To promote production, employment of labor, and utilization of the productive capacity, the natural and agricultural resources of the country.

And so on.

Mr. HALE. There is pending is one of the bills a provision that the proceeds of sales of property should not be deemed to be current income of the Government.

That is not covered by section 17 of this bill, is it?

Mr. CLAYTON. Section 17 of this bill simply provides that all proceeds received are to be deposited and covered into the Treasury as miscellaneous receipts.

Mr. HALE. But his bill, so far as it appears, provides that the proceeds of sales be treated as current income would they not?

Mr. CLAYTON. I am sorry, I do not know whether that language means it would be treated as current income or not. Do you know?

Mr. SCOTT. By the Treasury?

Mr. CLAYTON. Yes.

Mr. SCOTT. I do not know how it treats miscellaneous receipts; it would be deposited as miscellaneous receipts.

Mr. CLAYTON. I do not know, Mr. Hale, whether the Treasury would treat it as current income or not, but this is the usual language that is employed, I believe, in cases of this kind.

Mr. WHITTINGTON. Will you repeat your question, Mr. Hale?

Mr. HALE. I think that Congressman Herter introduced a bill providing that the proceeds from the sale of surplus property should not be treated as income but should be treated as the sale of capital assets and go for the reduction of the national debt. I am wondering if that point was in the minds of those who drafted section 17? Apparently it was not.

Mr. SCOTT. No.

Mr. HALE. Section 21 (b), of the bill I note provides that the Administrator may exempt from some or all of the provisions of the act disposition of property located outside of the continental United States or in Alaska.

As a matter of fact you will sell, will you not, very large quantities of property outside the continental United States?

Mr. CLAYTON. Yes; and the only reason for this, if I recall correctly, is that in some theaters the Army would be the logical disposal agency, and in some remote areas where other agencies of the Government were not located or organized for that purpose the Army would be the logical agency, or the Navy, perhaps, to handle the disposition of such property under regulations and policies fixed by the S. W. P. A.

Mr. HALE. That is what happened after the last war; most of the stuff was sold in France.

Mr. CLAYTON. There was over a billion dollars worth sold—a billion and a quarter dollars worth sold in France to the Government for \$400,000,000.

Mr. HALE. Is not something of that sort likely to occur this time?

Mr. CLAYTON. I do not think in the same way. I do not think that we would make a sale of that character and take notes for it as was done in the other war. I can conceive that it may be highly desirable in some cases to make sales of property located abroad to the Government or to the country in which it is situated, but I do not think it is likely to be done on credit—if I had the responsibility I do not think I would do it that way.

Mr. HALE. Did we actually get paid by the French Government?

Mr. CLAYTON. I understand we never got paid; I understand it was lumped in with the old war debts which were not paid.

The CHAIRMAN. The amount was \$1,700,000,000; was it not?

Mr. CLAYTON. I am not sure.

Mr. HALE. I am still not altogether clear why the disposition of property outside the continental United States should not fall under the provisions of this act, at least, why the provisions of the act should not apply thereto.

Mr. CLAYTON. Mr. Hale, for example, suppose the Foreign Economic Administration were named as the disposal agency for property situated abroad. It might be that the Army would be so designated in the case of property located in certain places, and it might be that other things which would require some changes. For example, I do not think that we would have the same interest in protecting small business in the case of sales abroad as we would have if the property were sold in this country. That is a matter for the Government or the country in which the property is situated to be concerned with. And there may be other cases where it would be advisable to have a provision of this kind, giving the Administrator some latitude with respect to property situated abroad.

The CHAIRMAN. A good example, Mr. Clayton, would be on Saipan or Eniwetok, where we would have no other organization set up.

Mr. CLAYTON. We would have the Navy make the sale if there were any markets in those vicinities.

Mr. HALE. What I have particularly in mind is the fact that there are a tremendous number of trucks in continental Europe that will never be brought back to this country.

Mr. CLAYTON. Yes.

Mr. HALE. What would be the policy with respect to them?

Mr. CLAYTON. I think they would be sold under the regulations set up, by the disposal agency that would be selected for the sale of the property abroad.



Mr. COCHRAN. Is not the construction of the trucks, such as we see right here on the streets, the Army trucks, for example, that the cost of operation precludes the ready sale of them?

Mr. CLAYTON. Well, I do not know about that, Mr. Cochran, but I judge not, because we have been selling them very fast and there is a big demand for them; just as fast as we could get up the machinery for disposing of them the Procurement Division of the Treasury has been disposing of them.

Mr. COCHRAN. Is that not due to the fact they cannot purchase trucks in the market?

Mr. CLAYTON. I am sure it is, but nevertheless the farmers throughout the country need trucks and are very anxious to get these trucks. We could sell a great many more than we have.

Mr. COCHRAN. I do not see how the farmer can very well afford, you might say, to buy a truck, in normal times, that might have eight great big tires on it. The cost of the upkeep of a truck of that character would be tremendous. For instance, the cost of the tires alone for a truck of that character would almost enable him to buy a new truck in the market in the olden days. But I realize those are matters that are going to produce headaches to the Administrator when you come to disposing of the property.

I want to clarify one paragraph, Mr. Chairman, section 12, subparagraph (b).

I assume that other members like myself are receiving communications from State agencies as well as subdivisions of the States wanting to know what hand-outs are going to be made. No provision is made under this bill for giving away property, and whatever they acquire they will have to pay for.

Mr. CLAYTON. We have no authority to give away anything——

Mr. COCHRAN. There was one other matter I had in mind.

The CHAIRMAN. Did you get his answer?

Mr. COCHRAN. Yes; they have no authority to give away anything.

Mr. WHITTINGTON. With one exception.

Mr. CLAYTON. Yes; we have no authority to give away anything with one exception, found in 11 (b), and that is when a thing has no commercial value; 11 (b) reads:

Whenever the Government agency authorized to dispose of any property finds that it has no commercial value, or that the cost of handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government or any nonprofit educational or charitable organization, or if that is not feasible shall destroy or otherwise dispose of such property.

That is only when it has no commercial value.

Mr. COCHRAN. Yes. One other thing and then I am through. I cannot see for the life of me the reason why section 13 should be in the bill at all. This does not in any way impair or repeal the anti-trust law and it in no way limits the Attorney General in enforcing those laws. Why should it be necessary to have such a provision in the bill?

Mr. CLAYTON. Mr. Cochran, I feel a good deal as you do about it. That provision was inserted there as a kind of compromise. The legislative committee in considering this proposed bill studied practically all the bills that have been introduced in Congress, and some of them—one of them at least provided that if the value of the property

was \$5,000,000 or more the matter had to be referred to the Attorney General, to ask clearance from him for the sale.

The Attorney General indicated that he did not think that was a wise provision, so finally this section was agreed upon. It was suggested by the Attorney General as being a provision that would be satisfactory to him. I do not think there is any harm in it.

Mr. COCHRAN. No; but it does not mean anything.

The CHAIRMAN. That leads up to this point: Why should the Attorney General be on the Board?

Mr. CLAYTON. Well, Mr. Chairman, there are a lot of questions that arise that we need to refer to him. For instance, in the matter of the digesting or codification of the laws relating to the disposal of Government surplus real property. He is chairman of a committee that is carefully studying that situation. We find there are about 150 statutes which relate to the subject. And other occasions have arisen where his presence there is very valuable and useful to us.

Mr. COCHRAN. Well, again it might be pointed out, why have a man on the Board on whom you might be required to call for an opinion? Why should you have him on the Board when you are likely to call upon the Attorney General for his opinion in connection with the administration of this act? He ought to be free, without any influence from the Board whatsoever, to render his opinion, and why would it not be better to take him off?

Mr. CLAYTON. I think he will feel perfectly free to render an opinion, so far as that is concerned, but there are things that arise now and then. For example, we had the other day the question propounded to us by a very large merchandising outfit who wanted to know if we would be interested in having two or three large concerns get together, in the case of the sale of large amounts of certain kinds of surpluses for which there is no ready market, pool their buying ability and buy the whole lot, whatever it might be. That was something that we needed to talk to the Attorney General about. There are other questions that arise all the time where his presence and advice are helpful.

Mr. WHITTINGTON. Mr. Clayton, you were asked by the chairman about the disposal of blankets by some Government agency to which they had been transferred, and the use of discretion. Would there be any authority in you or in the Administrator to transfer to any Government agency any surplus property, in this country or elsewhere—blankets, for instance—unless that Government agency was in need of them, or that they could use them for the purposes for which the agency was established?

Mr. CLAYTON. That is the only authority we have. The only condition under which he would have the authority to approve of the transfer to a Government agency is for something they need or something they must have in carrying out their responsibilities or functions.

Mr. WHITTINGTON. Then I assume that there are some agencies abroad which have surplus property, outside of the War and Navy Departments. Just what ascertainment would be made that such surpluses exist as well as what disposition would be made of the surplus?

Mr. CLAYTON. The agency selected at present as the disposal agency for property abroad is the Foreign Economic Administration, so that the procedure would be that the owning agency would declare to the Foreign Economic Administration the property as surplus. Then the

Foreign Economic Administration would process the sale under policies which we have laid down.

Mr. WHITTINGTON. With respect to such property in foreign countries, when you say the Foreign Economic Administration, you mean the declaration is made to it as your agent to dispose of the property?

Mr. CLAYTON. No; the declaration of surpluses are made directly from the owning agency under provisions that are made for that purpose.

Mr. WHITTINGTON. By administrative provision, you mean?

Mr. CLAYTON. Yes; by regulations, because we did not want the surpluses declared to us.

Mr. WHITTINGTON. That is your agency.

Mr. CLAYTON. Well; yes.

Mr. WHITTINGTON. That will dispose of the property.

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. My point is that until the surplus was declared you would not have the authority to sell to the foreign government.

Mr. CLAYTON. That is right.

Mr. WHITTINGTON. Or to some people who might be importers, for example.

Mr. CLAYTON. That is right. If there is anything not needed it should be declared as surplus and should take the regular channels.

Mr. WHITTINGTON. Let me see if I understand the theory of this bill: All property owned by the Government in foreign countries that may be declared to be surplus is reported to this agency which you have established and that covers all foreign countries, does it not?

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. And that would cover even the War and Navy Departments when they report surplus property?

Mr. CLAYTON. Yes; it does. As I think I said a moment ago, in active theaters of war the Army and the Navy would still sell the property, because obviously they would not want a civilian agency there at the same time. In any other area where the Foreign Economic Administration has not established itself they would also sell.

Mr. WHITTINGTON. You would?

Mr. CLAYTON. The War Department or the Navy Department.

Mr. WHITTINGTON. Is the War Department or the Navy Department then selling property generally because it is located in the active theaters, that is not needed in the prosecution of the war, and then reports that to your agency abroad?

Mr. CLAYTON. In active theaters of war?

Mr. WHITTINGTON. Yes.

Mr. CLAYTON. Yes; in an active theater of war they would sell whatever they do not need.

Mr. WHITTINGTON. Well, are they confined solely to active theaters, and to property which they do not have to use in the prosecution of the war? They might use it for rehabilitation, might they not?

Mr. CLAYTON. Well, I presume they could.

Mr. WHITTINGTON. But when it comes to selling—and the War Department and the Navy Department, particularly the War Department, as they have advanced, they have rehabilitated and provided food for the population without selling, enormous quantities of food, probably merchandise, but when it comes to the actual selling my question is whether or not there are sales which do not go through



your designated agency abroad, even property which the Army and the Navy have as surplus.

Mr. CLAYTON. While the war is on, I take it, either the Army or the Navy could make actual sales in active theaters of war.

Mr. WHITTINGTON. I think they can, so far as that is concerned, because the Army and the Navy have more authority to make such sales than almost any other agency of the Government.

Mr. CLAYTON. Yes.

Mr. COLMER. In these hearings representatives speaking for the War Department and representatives speaking for the Navy Department have plead with the joint committee to enact this bill in order to get it out of their hands; they want to get rid of it.

Mr. WHITTINGTON. I can understand that.

Mr. CLAYTON. May I just read section 21 (a)?

Mr. WHITTINGTON. I have it before me; you need not read it.

Mr. CLAYTON. It would be within their authority to make sales in active theaters of war without referring to us.

The CHAIRMAN. A good example of that, Mr. Whittington, would be the sale of a lame mule that you would not want to turn in as surplus property to the Administrator to sell.

Mr. WHITTINGTON. But I want to provide against the sale of too many "lame mules" without the Treasury getting the benefit out of it.

Just generally assume, following the cessation of hostilities, under the terms of this bill, what authority would the Army and the Navy have to dispose of property that they had acquired, that had been transferred to them for the prosecution of the war, except the general laws that obtain in peace as well as in war?

Mr. CLAYTON. They would not have any authority to dispose directly of property except that which is provided for in section 8 (b) of this bill, which we have discussed at considerable length a short time ago.

Assuming that under this bill the Administrator would name the Foreign Economic Administration as the disposal agency of surplus property abroad, the Army and the Navy, after the cessation of hostilities, would be under the obligation to report their surpluses to the Foreign Economic Administration, which would be the disposal agency.

Mr. WHITTINGTON. Then, as I understand, they have no power of disposal directly after the cessation of hostilities?

Mr. CLAYTON. That is right.

Mr. WHITTINGTON. That was my question. What I have in mind particularly are the sales of large amounts of property to the French and other governments following the First World War. Now, as I understand, under the terms of this bill, except in active war theaters, all property has got to be disposed of, unless the power is vested by some statute in the Army or the Navy particularly, through the agency designated by you?

Mr. CLAYTON. That is correct.

Mr. WHITTINGTON. In foreign countries?

Mr. CLAYTON. That is correct.

Mr. WHITTINGTON. There is no general provision made for the purchase of surplus war property in foreign countries by foreign governments in this bill, is there?

Mr. CLAYTON. No, sir.

Mr. WHITTINGTON. Under what provision of this bill would the agency designated by you, or by the Administrator, sell to foreign governments any surplus war property?

Mr. CLAYTON. Section 11 (a) reads:

Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such terms and conditions, as the agency deems proper.

Then section 11 (c) says:

The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this Act.

And I may say that the policy which we have stipulated for sales abroad so far provides that they shall be made only for cash; that is, United States dollars.

Mr. WHITTINGTON. I will just repeat my question, if you will pardon me; there is nothing specifically said about sales to foreign governments, is there?

Mr. CLAYTON. It does not say that you cannot sell to them.

Mr. WHITTINGTON. I am not arguing the question with you; by implication I am sure you could.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. There is nothing said affirmatively about sales by the agency that you establish, or by the Army or the Navy, of surplus war property to any foreign government?

Mr. CLAYTON. No, sir. I would not think it would be necessary affirmatively to state it.

Mr. WHITTINGTON. I am not arguing the question with you, but there have been a good many bills introduced; and the fact that we sold primarily to other governments following the First World War is what prompted my question. For instance, I have before me the bill which this committee has reported, and it provides for sales to foreign governments, leases to foreign governments, and the terms under which things might be leased to foreign governments. It specifically mentions them. Yours may be the better bill. I find no fault, but my question was as to what affirmative provision there is, in view of the fact that we sold to France and other foreign countries large amounts of goods following the First World War.

Mr. CLAYTON. There is none; there is no provision that affirmatively states that.

Mr. COCHRAN. Inasmuch as they are going to have to pay for the property now, where they did not pay for it before; does not that cover the matter so far as this bill is concerned?

Mr. CLAYTON. That is the policy that we have so far adopted, Mr. Cochran, that any sales abroad must be made only for United States dollars, cash.

Mr. WHITTINGTON. Where is that provision in the bill?

Mr. CLAYTON. That is not in the bill.

Mr. WHITTINGTON. It is not in the bill and there is nothing in this bill that requires the property that we have abroad to be sold for cash?

Mr. CLAYTON. No, sir; there is nothing.

Mr. WHITTINGTON. All cash, as we say down in your country and mine.

Now, Mr. Clayton, what authority have you to designate an agency for the disposal of property in a foreign country, in view of the language of section 21 (b)? Does that hamper your authority?

Mr. CLAYTON. 21 (b)?

Mr. WHITTINGTON. Yes, 21 (b); in view of the fact that section 21 (a) says:

Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

21 (b) provides:

The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, \* \* \*

the word "elsewhere" gives you authority to appoint somebody in a foreign country to handle that property?

Mr. CLAYTON. I would think that is one place where it does it.

Mr. WHITTINGTON. Where are some others?

Mr. CLAYTON. I would think, as there is no statement limiting or restricting the geographical area within which the property is to be disposed of, that section 2 (d) would give us the authority.

Mr. WHITTINGTON. Yes; I would think so, too; but for the fact of this language with reference to your not having authority in the active theaters of war, as well as the use of the word "elsewhere" I mentioned a minute ago.

Mr. CLAYTON. Section 2 (d) gives us authority, in the last three words, "and wherever located."

Mr. WHITTINGTON. Yes. "Except as otherwise herein provided" I suppose also would apply there.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. That language bothers me just a little. In other words, assuming the cessation of hostilities pretty soon, all the property that we own in foreign countries has got to be handled by the agency that you designate under the terms of this bill?

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. That your Administration designates under the terms of this bill.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. If a foreign government buys it, that government has got to be as solvent, as a government, as an individual or a corporation that purchases it, if they do not pay all cash?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. Under a proper administration of this bill. Now, as you know, following the First World War, the Army and the Navy gave away everything that was not of any use, and probably some things that were of use, such as clothing. They did give away much of that. Every highway commission of the United States got some old trucks and graders that they thought were of some value.

Now, as I understand, under the theory of this bill no property of any kind will be donated to any State or legal subdivision, or public institution—property that has any value?

Mr. CLAYTON. That is correct.



Mr. WHITTINGTON. Among those that are given the privilege of acquiring it under section 12 (b) are educational, charitable, and eleemosynary institutions. Now, are those words restrictive? Take educational: You know, when we have hearings on a bill, we get all sorts of questions asked and I remember distinctly the word "eleemosynary" in a bill that we reported for the disposal of just ordinary surplus personal property. We had quite a controversy among some Members of Congress as to whether or not that could be used for sectarian institutions as well as for State-owned or controlled institutions.

Now, under this bill, section 12 (b), could that property be purchased in the first instance by sectarian educational institutions as well as by State or publicly supported educational institutions?

Mr. CLAYTON. I so understand; yes, sir.

Mr. WHITTINGTON. This language broadly certainly means that.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. That same thing applies to charitable and eleemosynary institutions?

Mr. CLAYTON. It does.

Mr. WHITTINGTON. Whether publicly or privately owned?

Mr. CLAYTON. That is correct.

Mr. WHITTINGTON. In other words, whether it is a public school or a Baptist school or a Catholic school, they would be eligible to acquire it?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. And they would be eligible to receive it if it should be determined that the property has no value?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. Just as much as a publicly owned institution?

Mr. CLAYTON. I think so.

Mr. COCHRAN. I asked a question a few minutes ago in reference to that. For instance, I know that they want 350 typewriters in St. Louis in schools there, that are not all public schools. Outstanding universities write me for equipment. Why should they not have the right to purchase them?

Mr. WHITTINGTON. You do not have to argue with me about it. I am just trying to clarify the provisions of the act.

Mr. ZIMMERMAN. Giving property to institutions, property that has no value—just what would that accomplish?

Mr. CLAYTON. That authority is limited to donations to Federal Government or State or local government institutions, or to nonprofit educational, charitable organizations. If they are private, they still have to be conducted as eleemosynary institutions, and not for profit.

Mr. ZIMMERMAN. Why would you donate anything to any institution that has no value? It does not make any sense to me.

Mr. CLAYTON. Well, there are machine tools, perhaps parts of aircraft engines, instruments, which might be very useful to vocational schools, high schools that have night classes for boys to learn trades, and vocational schools generally. You might not be able to sell it for anything, but it might be very useful to schools of that character.

Mr. WHITTINGTON. Mr. Clayton, under the terms of this bill, would the agency designated by the Administrator have the right to

turn such property that might not be worth transporting back to the States, over to sectarian institutions in foreign lands?

Mr. CLAYTON. That might be a somewhat technical question, but my immediate reaction would be that they would not; that this would refer only to the United States.

Mr. WHITTINGTON. On what theory do you say that? I am not arguing with you about it, but I am just trying to clear the matter up in my own mind. We have to secure the passage of this bill on the floor of the House, with 434 statesmen, some of them ladies, and they are inquisitive.

Mr. CLAYTON. It is just intuitive; there is a sequence of language there. It speaks of Federal, State, or local governments; that obviously means in the United States. Then, in the next few words, it talks of nonprofit educational or charitable institutions, which would refer, accordingly, to the United States.

Mr. WHITTINGTON. I understand, but there are billions of this property that will be abroad on the cessation of hostilities. Generally, I repeat—and if I am incorrect, please tell me—neither you nor the Army, nor the Navy, nor any other agency of the Government, after the cessation of hostilities, will have any power or authority to give away for rehabilitation or for any other purpose—to feed the hungry or clothe the naked in the occupied and conquered countries—any surplus property belonging to the United States, except as provided by this act.

Mr. CLAYTON. Yes, sir; that is right.

Mr. WHITTINGTON. And that means that you cannot contribute or make a donation of any property of any kind unless there is first an adjudication that it has no value.

Mr. CLAYTON. That is right.

Mr. WHITTINGTON. For any purpose—charitable, humanitarian, economic, or political?

Mr. CLAYTON. I would certainly so construe it. I do not think we have that authority under the existing Executive order and I do not think we would have it under this act, to give away any property of the United States Government unless it was property that absolutely had no commercial value. I believe that we would have the power to do it where it had no commercial value and could not be sold for anything, regardless of this provision. I think we would have the power to give it away if we could not sell it for something. In other words, if we had a lot of property that was cluttering up storage facilities, costing money to look after and to carry, and we just could not get anything for it, I think I would give it away.

Mr. WHITTINGTON. We get more criticism, as Members of Congress, over burning up that property or destroying it, in some possible situation, than you could imagine. I say, give it away, and if they will not take it, then destroy it.

Mr. CLAYTON. I do not believe in destroying anything that has any useful value whatever. But if there is something that has no value, that you cannot do anything with, and you have got your warehouses full of it—

Mr. WHITTINGTON. I understand very thoroughly. But you can appreciate our situation. Time after time we have had protests about burning lumber, and other materials. We get a lot of that.

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. Now, just to refresh my memory, will you turn to the provision of the bill that authorizes you to appoint the agency to handle foreign property?

Mr. CLAYTON. It is section 9 (a).

The Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies under this Act and shall prescribe the class or classes of surplus property to be handled by each such agency:

Mr. WHITTINGTON. That was my recollection.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. Those words "Government agencies" are broad enough to include not only what were Government agencies when you began to come to Washington and testify before committees and I became a Member of Congress, but all of these agencies established by Executive order and Executive directives. That would be a Government agency. Take this agency that you spoke about as designated to handle certain property. That was an emergency or war agency.

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. Under the definition of Government agencies in this bill, could you designate one of those war agencies?

Mr. CLAYTON. Yes, sir; I so understand.

Mr. WHITTINGTON. Where is the definition that authorizes that?

Mr. CLAYTON. Section 2 (a) on page 2.

The term "Government agency" means any executive department, board, bureau, independent commission, or other agency in the Executive branch of the Federal Government and any corporation wholly owned and controlled by the United States.

Mr. WHITTINGTON. I thought that was it. I think it ought to go further, for whatever my opinion is worth, and include those established by the President, to prevent any sort of criticism that any agency may be appointed to represent you that has not been approved by Congress. I do not say that in criticism of the Chief Executive.

Mr. CLAYTON. I understand.

Mr. WHITTINGTON. In other words, I would not want the criticism to be made of Congress that we had authorized the disposition of \$50,000,000,000 worth of property in foreign countries by some agency established by a directive. I would like to have it approved by Congress. That is what I had in mind.

Mr. HOPE. What about section 19 which authorized an almost unlimited delegation of authority, as I read it?

Mr. WHITTINGTON. I am thinking about this foreign property. The Administrator has responsibility here, at home, and there is not much trouble about that. And you have got to have somebody designated to handle this.

In other words when you say a Government agency, Mr. Clayton, I have in mind—and I restricted my question to the handling of property that will be abroad—

Mr. COCHRAN. If we were to say "including agencies set up by Executive order," would that be satisfactory?

Mr. WHITTINGTON. Yes. I have probably taken up more time than was necessary, but you presented your general statement and then you made one suggestion about an amendment to section 7. Are there any other amendments that you have to offer?

Mr. CLAYTON. Yes, sir; I have some other amendments. Shall I offer them now, Mr. Chairman?



Mr. HOPE. Mr. Chairman, before we leave this question of delegation of authority, I would like to have some explanation of section 19 which covers the very broadcast sort of delegations and redelegations of authority. I am just wondering what is the necessity for that very broad authority to delegate which I assume would cover agencies both at home and abroad.

Mr. CLAYTON. That is just inserted for administrative flexibility. I doubt if it would be availed of very much.

Mr. HOPE. Under section 19 (b) you not only authorize the delegation of any authority in the discretion which the head of the agency may have, but he can authorize the redelegation of it. Where would there arise a situation where that might be necessary?

Mr. CLAYTON. I can give you one example. There have been quite a number of aircraft already declared as surplus to the R. F. C., which is the disposal agency named in the Executive order for disposing of aircraft, and the R. F. C. has delegated that authority under its supervision to the Civil Aeronautics Administration. They have been selling these aircraft. Now, it may easily happen that the R. F. C. might want to get the Federal land bank to sell some farm lands for them in certain cases, and the F. E. A. might, in some cases, want to ask the Army to dispose of some property for it abroad, and there will be perhaps numerous instances where that authority would be availed of.

The CHAIRMAN. Under this discretion, Mr. Hope—I think I see your point—a \$1,440 clerk in the Foreign Economic Administration in Berlin can sell property over there.

Mr. HOPE. Yes. It seems to me that would be the effect of it. He could not only do it, but if he were given the authority to do it, he could delegate it to an \$1,100 clerk to do it.

Mr. CLAYTON. I doubt, Mr. Hope, that would be done.

Mr. HOPE. Well, there are successive re-delegations here, and I do not know what that means unless it means delegations all the way down the line.

Mr. CLAYTON. Also, of course, any sales abroad, or anywhere else for that matter, would have to be conducted under policies prescribed by us and under our general supervision and direction; that is, under the general supervision and direction of the Surplus War Property Administrator.

Mr. CHURCH. Not under section 19 (b).

The CHAIRMAN. When the war is over and we have a lot of congressional investigating committees as to frauds, and so forth, it would be very difficult to chase down the fellow that really sold the property.

Mr. CHURCH. Not under section 19 (b), except in the last sentence, "to any other Government agency."

Mr. CLAYTON. The whole disposal authority stems from the regulations under this act that will be set up by the Surplus War Property Administrator. That is all through the act. So that any disposal under this act is under the general supervision and direction of the Administrator.

The CHAIRMAN. Mr. McConnell has been waiting very patiently, and I should like to recognize him at this time.

Mr. McCONNELL. The thought that has been in my mind for the last few hours was occasioned by the interchange of conversation between Mr. Whittington and the witness this morning and also by one or two other questions. There seems to be a difference of opinion whether this should be a surplus war property bill or a surplus property bill. Would we not be wiser, since speed is essential, to have two bills, one for war surplus property, that we could put through rather quickly, and the other at a later date, after a study as to what would be included under a bill applying to other kinds of property, surplus property in these various agencies—all agencies? There seems to be a difference of opinion as to how far this bill would apply.

It is generally understood by the public that this is a surplus war property bill rather than a general surplus property bill.

Also I notice that the term of the Administrator is to be 2 years, and unless extended by law this act shall expire at the end of 3 years following the date of the cessation of hostilities. Does that mean that we will have no more surpluses in these various departments after 3 years?

We are a little bit at cross-purposes, it seems to me, in the set-up of this bill. Perhaps I am incorrect in my view of it, but that is what I have gleaned as I have listened to the conversations and discussions this afternoon, and also this morning.

Mr. CLAYTON. Going to the first question that you raised as to the scope of the bill, whether it includes all surplus Government property, or only surplus Government war property, I will say our understanding of the bill is that it includes all surplus Government property.

As I stated this morning, the Bureau of the Budget is now, so I understand, preparing a bill which would take from under the authority of this Administration administrative property of Government agencies, principally office furniture and office machines, and we would be very glad to see that property eliminated from this bill. Apparently it takes a little time to work it out, and in order to get a bill through quickly, this bill was drawn in this way following exactly the form of the Executive order under which we operate at the present time.

At the present time, under Executive order, all surplus Government property is lodged in the Surplus War Property Administration for disposal, and as I say, we drew this bill in that form because we felt it was the simplest form and the form most easily understood, and we hoped that it would be passed by Congress within a very short time.

Now, when the Budget present their bill, it will rake care of the question you raised, and I think that it is better to have it handled in that way than to attempt to incorporate their bill into this one at the present time.

Mr. McCONNELL. You imply there will be two bills?

Mr. CLAYTON. I understand that the Budget will introduce a bill which will cover the handling and disposition of surplus administrative property.

Mr. McCONNELL. Would it not be simpler, then, to call this just the war surplus bill? I notice that you are the Surplus War Property Administrator.

Mr. CLAYTON. Yes; but while this agency that I head is called the Surplus War Property Administration, the Executive order under which we operate gives us jurisdiction in respect of all surplus Government property.

Now, I am afraid it would be a little difficult to define exactly what you mean by "surplus war property," so we have felt the simplest way to approach the matter from the point of view of speedy action was to draw the bill along the lines of the Executive order, which is simple, and let the question of administrative property be taken care of in a subsequent bill. In that way we have continuity of administration and action, because, as I say, today it is exactly the way in which we are functioning.

The CHAIRMAN. I might state to Mr. McConnell that soon after the war was declared Mr. Dirksen of Illinois offered a bill to move all nonwar agencies out of Washington. We held hearings up here for 3 months and have not found a nonwar agency here, so that covers them all, I think.

Mr. McCONNELL. Is the committee satisfied? I got the impression this morning there was some question about this bill; that it was rather hazy in its application. Would it not be better to call it a surplus war material bill, or something of that nature?

The CHAIRMAN. A typewriter might be used in the war effort, or it might be used for something else, but it would be difficult to determine whether it was a war typewriter or not.

Mr. GOSSETT. We are jumping around all over this bill.

Back under the statement "Policies governing disposition," which is section 12, you have many subdivisions, concluding with (h):

To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

I wonder if it would be inappropriate, or objectionable to add another subsection to this effect: "To prevent any unusual or excessive profits to be made out of surplus properties."

Now, there is a great fear in the country somebody is going to get rich out of manipulating surplus war property. I know that is not your purpose and that you want to prevent that from being done. It seems to me it might be well for us to state that we intend to prevent that insofar as possible. Would you have any objection to such a subsection being included?

Mr. CLAYTON. I would want to think about it a little. My first reaction is that it would not be advisable. We will have to be very active looking for markets and places to sell this property, and while we do want to prevent any unusual profits from being made—and as I explained this morning, we are going to do everything possible to prevent dealing with speculators—if we emphasize too much that people will be controlled with respect to prices and so on, it might have the effect of intimidating some buyers. One of the reasons we are very anxious to get this bill passed is that there is today in the minds of the people, so some people, some doubt as to whether the Government can in all circumstances give valid title to this property. There is also, I understand, a question in the minds of some of the big contractors that have contracts with the Government which are being canceled, a doubt as to whether they should buy this property if it is sold at any considerable discount under cost, because they fear that perhaps later on the matter may be checked up and it may



be decided that the property was sold without adequate authority and they may be called upon by the Government to pay the difference. There are doubts of that kind in the minds of the people.

I would be sorry to see anything included in this bill that would have the effect of accentuating that situation.

Mr. GOSSETT. We might say: "Insofar as possible to prevent any excessive profits being made out of surplus property." That might have a quieting effect on many perhaps well-founded suspicions.

Mr. COLMER. I would like to interject right there. The bill provides, among other things, that the policy is to discourage sales to speculators. I am in accord with that.

The CHAIRMAN. There is no penalty provision in the act.

Mr. COLMER. No; but in the final analysis—and we talked about it for weeks—you are going to have to rely largely on the discretion of the Administrator.

Mr. GOSSETT. I think the declarations of policies are very fine in general, and I thought my suggestion might improve them just a little.

Mr. WHITTINGTON. I have just a question.

Mr. CLAYTON, again for the record, will you give us the names of the agencies you have collected for the disposal of property in foreign countries?

Mr. CLAYTON. We did not select any agency for the disposal of property in foreign countries. The agency is named in the Executive order, and that agency is the Foreign Economic Administration.

Mr. WHITTINGTON. The Foreign Economic Administration; that is the agency in your Executive order?

Mr. CLAYTON. Yes.

Mr. WHITTINGTON. I have every confidence in a man like you with your experience in handling matters of that character. The Foreign Economic Administrator might not know very much about all of these billions of dollars' worth of property, and if this bill passed, you would name him, if you followed the course of the existing language. I wonder if there is any way to strengthen the provisions of this bill to definitely give you the right to designate the agency to dispose of this property and make that agency just as strong as you can, and to get just as good an administrator as you can get, one that you have confidence in. I want to prevent criticism following the disposal of all of our property, to the injury of our domestic economy.

Would U. N. R. R. A., for instance, have a right to ask this man, under your existing Executive order, for wheat, corn, and so forth?

Mr. CLAYTON. We expect to dispose of considerable surpluses to U. N. R. R. A., but we are going to do it for cash.

Mr. WHITTINGTON. Would he or would he not now under the Executive order have a right to dispose of it to U. N. R. R. A. if U. N. R. R. A. reimbursed for it at the fixed value?

Mr. CLAYTON. That is right.

The CHAIRMAN. The Treasury of the United States would not gain by that.

Mr. WHITTINGTON. U. N. R. R. A. could only pay what the United States provides for U. N. R. R. A.

Mr. CLAYTON. We look upon them just as any other agency that might be interested in buying surplus. They have got the appropriation from the United States Government, they have the money. They are going to spend it with somebody for something, and if we have the goods they want, we would like to get our share of it.

Mr. WHITTINGTON. That is right. I would respectfully suggest as a member of this committee that you and your drafting service separate the purely administrative surplus provisions of this bill from the main bill if you can. I have high regard for your Executive order, but I do not think the Executive order should cover anything except war materials. I do not believe that you have any authority, with all due deference to the lawyers that prepared this bill for you, to dispose of ordinary peacetime surpluses under the guise of war. Now, if we can dispose of all the ordinary administrative property, I would like to do it.

Secondly, as far as I am concerned as a member of this committee, I would like to strengthen the provision by knowing that you have the power and the authority to get the best person in the United States to handle it in each of the countries, if necessary.

Mr. CLAYTON. Of course, I want to make it very clear in this matter of a distinction between war property and administrative property that we are not interested in the latter, and it would suit us very well if it could be eliminated from this bill, but we have drawn the bill in the way we have, as I have explained, in the interest of speed, and for that reason we followed the form of the Executive order. I think that the matter will be taken care of very soon by this bill which the Budget is preparing.

Mr. WHITTINGTON. But that is an unusual way to do it, to pass a bill today to get it amended tomorrow.

Mr. CLAYTON. I will admit that. The only thing is I am afraid if we introduce that element in here it will delay us.

On the other point, you understand that under the terms of this bill and under the terms of the Executive order the Surplus War Property Administrator not only fixes the policy by which this property will be disposed of but he has the general supervision and direction of disposal of the property, which we construe to mean that he is responsible to see that disposal agencies are properly organized to do the job. That has been one of our principal preoccupations—to check in with the disposal agencies to see that they are properly organized and properly staffed to do their job under the Executive order and later under this bill, so that I think that with our power to select the agency, which means the power to take it away from them and name somebody else if they do not do the job, if they do not get properly organized, and with our power to supervise their organization, the building of their personnel, their staff, and general set-up, we have all the power we need to see that the job is done properly.

Mr. WHITTINGTON. You have given me the man who handles the property in foreign countries. Who handles it generally in the United States?

Mr. CLAYTON. The Executive order provides that capital goods—plants, equipment, machine tools, and what we call producer's goods, copper, tungsten, chrome, manganese, and scrap iron—shall be disposed of by the Reconstruction Finance Corporation; that all consumer's goods, except food, shall be disposed of by the Procurement Division of the Treasury; that food shall be disposed of by the War Food Administration; that ships and maritime property shall be disposed of by the Maritime Commission; and that property abroad shall be disposed of by the Foreign Economic Administration.

Mr. WHITTINGTON. All subject to your supervision?

Mr. CLAYTON. That is right.

Mr. CHURCH. This morning we talked about section 12, paragraph (3). With reference to those 3,600 acres in Sangamon County, Ill., that seems to be a good illustration for the committee to consider. We discussed that quite a bit, and I think that we should have placed in the hearings a copy of the regulations that govern the sale of that property. It relates to land.

Mr. CLAYTON. I will file with the reporter a copy of our regulation No. 2, which covers the disposal of surplus real property other than industrial property.

Mr. CHURCH. While you are doing that, will you include the regulations relating to the Houston property discussed this morning, or is that industrial property?

Mr. CLAYTON. The Houston property would be classified as industrial property.

Mr. CHURCH. Will you file the regulations that you followed in disposing of the Houston property, with the approval, you said, of the Maritime Commission?

Mr. CLAYTON. The Maritime Commission disposed of the property with our approval.

Mr. CHURCH. Under your regulations?

Mr. CLAYTON. We had no regulations at that time because it was only 2 or 3 weeks after—

Mr. CHURCH. You had a plan or a pattern?

Mr. CLAYTON. No, sir; it was just 2 or 3 weeks after the issuance of the Executive order.

Mr. CHURCH. Have you regulations now relating to the disposal of land that is industrial property?

Mr. CLAYTON. No, sir, we have not.

Mr. CHURCH. You do not have that yet?

Mr. CLAYTON. Not as yet, sir.

Mr. CHURCH. I would like to consider another feature of this subject of land. Have you an idea as to how much land the Government has become the owner of during the war period?

Mr. CLAYTON. I understand there are four or five million acres of land that the Government has acquired during the war period, in addition to a large acreage that was loaned from the public domain, that is, the parks, and so forth.

Mr. CHURCH. In addition to that rented land you just spoke of, where is the bulk of the land?

Mr. CLAYTON. I am sorry, but I do not know.

Mr. CHURCH. Is it in the United States?

Mr. CLAYTON. Practically all of it would be in the United States.

Mr. CHURCH. Then, under section 12 of the bill that you are discussing, paragraph (a)—

To facilitate transfers of surplus property of one Government agency to other Government agencies, for their use—

now, most of this four or five million acres, is under the War Department?

Mr. CLAYTON. Yes.

Mr. CHURCH. Have you been disposing of much of that?

Mr. CLAYTON. No, sir. This sale of 3,600 acres, approximately, is the first sale of surplus land other than industrial property.



Mr. CHURCH. Probably then you will attempt to proceed to handle, under section 12, paragraph (a) the other four or five million acres some way or other, if the Army declares those acres to be surplus?

Mr. CLAYTON. Yes.

Mr. CHURCH. If and when they declare them surplus?

Mr. CLAYTON. Yes.

Mr. CHURCH. Then in that case the Director would be the determining agent as to what amount some other department or agency of the Government would pay for that land if it is transferred to that other agency—for example, a transfer to the Department of the Interior.

Mr. CLAYTON. If some other agency of the Government can demonstrate a need or use for the land in their department, it would be our duty to see that that land is transferred to them at its fair market value.

Mr. CHURCH. If it can demonstrate a need for it?

Mr. CLAYTON. To the Administrator; yes.

Mr. CHURCH. What I am driving at here is this: We were very much concerned while we were handling this other bill, H. R. 1610, about the matter of land and, therefore, in section 22 of that bill we rather restricted the handling of land to wartime emergency, while in section 12, paragraph (a), of the bill under consideration the transfer of land is covered generally. It is a subject which Congress has had a lot of bills on and has debated, and here in this bill, in one paragraph, the War Department may declare a land surplus and some other Government agency can have it transferred to it by the Administrator.

Then in section 11 (a) it says:

Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law, but subject to the provisions of this Act, the agency may dispose of such property—

such as the four or five million acres—

by sale, exchange, lease, transfer, or other disposition, for cash, credit, or other property, or otherwise, with or without warranty, and upon such other terms—

and underline “other terms” and “otherwise”—

and conditions, as the agency deems proper.

In other words, there is a large amount of land where Congress has concerned itself in the past with many different land transfer bills. There have been many measures where transfers were made to other departments, the Department of the Interior or other agencies, and here in one paragraph of this bill this whole discretion is turned over to the Administrator, is it not? Also, a minute ago I got the impression from your answer that those sales had to be made for cash. This paragraph does not say cash. Cash is the first word, then it says credit or other property, or otherwise. “Otherwise” could mean anything.

Mr. CLAYTON. I will answer your last question first. I said that we had a policy that any surplus property sold abroad must be sold for cash—United States dollars. I was not referring to any provision of this bill.

Mr. CHURCH. But, get back to the section of this bill where it is not confined to cash.

Mr. CLAYTON. This bill reads as you have just read it, section 11 (a). It gives the power to sell property for cash, credit, and so forth, as it states.

Mr. CHURCH. What in this bill protects the transfer of many, many acres of land from the War Department to the Department of the Interior or some other Government agency, without compensation?

Mr. CLAYTON. Section 11 (a) which you read does not apply to transfers between Government agencies. If you will turn to section 10 (b), page 10, you will see that it reads:

The disposal agency responsible for any such property will transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

Mr. CHURCH. The next section reads—  
otherwise authorized by law.

Mr. CLAYTON. I do not think that section 11 (a) would be construed, in the light of the provision which I have just quoted, as applying to the transfer of property from one Government agency to another.

Section 10 is headed "Transfers between agencies," and I think that provision would govern transfers from one agency to another.

Section 11 (a) is headed "Methods of disposition," and would cover the sale of property.

Mr. CHURCH. I grant that the regulations now are not in accordance with this section, but is this section that broad?

Mr. CLAYTON. I can tell you now that we would not construe section 11 (a) as giving us the authority to approve of the transfer of land from one agency to another without payment.

Mr. CHURCH. What does section 11 (a) mean if it does not mean possibly that?

Mr. CLAYTON. It covers the sale of property but not the transfer from one agency to another.

The CHAIRMAN. To individuals?

Mr. CLAYTON. It covers the sale of property to individuals or in the market. I think it is very generally understood that to do what you apparently fear, which is that we would transfer valuable property from one Government agency to another Government agency without value, is equivalent to increasing the appropriations of the agency which receives the property. I do not think any Government agency would do that.

Mr. CHURCH. Well, there are a lot of acres that might be considered of little value that, let us say, the War Department has used, but when you get down to section 11 (a) to that phrase, "and upon such other terms and conditions, as the agency deems proper," those words are broad enough to give it away, or to transfer acres of little value to another agency.

Mr. CLAYTON. In the next subsection, 11 (b), are very specifically described the conditions under which we may give property away.

Mr. CHURCH. That bears that same thing out, namely, that many acres of land belong to the War Department, and as it approaches no value, section (b) confirms my fear in section (a) that for any term it can be transferred to the other agency.

Mr. CLAYTON. I beg to differ from you there because I think section (b) is very clear that we can only give property away where it has no commercial value. I do not know of any land that has not some commercial value.

Mr. COCHRAN. That is a protection, is it?

Mr. CLAYTON. That is a protection; yes, sir.

Mr. COCHRAN. Paragraph (b) is the protection?

Mr. CLAYTON. Yes, sir; it is.

Mr. COCHRAN. For instance, the Army and Navy have hospitals all over the United States. They need them now, and they probably will have more. When we passed the veterans' bill just recently we gave them a \$500,000,000 authorization to buy additional facilities. Under section 10 (a), for instance, if conditions will permit, and the hospitals are suitable the Veterans' Administration could secure them, then the cost of them will come out of the \$500,000,000 that will be appropriated for additional veterans' facilities; is that correct?

Mr. CLAYTON. Yes, sir; it is.

Mr. COCHRAN. They are not going to get those hospitals from the Army and Navy over and above the \$500,000,000 authorized.

Mr. CLAYTON. I would not think so.

Mr. COCHRAN. Absolutely not; they should not.

Mr. CLAYTON. They would not, if I had to pass on it, and I think any Administrator under this bill would act accordingly. As a matter of fact, any Administrator under this bill is obviously going to try to get all the money out of this property that he can. He does not want to see any of it given away.

Mr. COCHRAN. That is the purpose of it.

Mr. CLAYTON. Yes, sir, that is the purpose of it, and he wants to recover all the value for the Government that he can, and I think he would be very watchful to see that no property was transferred from one agency to another that they did not need or did not pay for.

Mr. WHITTINGTON. Frankly, I was of the opinion that the G. I. bill did not provide the transfer of that property as much as it should with respect to those hospital facilities. The Administration can help out a lot.

Mr. COCHRAN. Certainly, because when everything is over and the boys are released from the Army and the Navy, the Army and Navy will not have any use for the great majority of the hospitals that have been constructed during the period of the emergency, and those hospitals, therefore, and the equipment therein should be sold to the Veterans' Administration if they are in suitable locations, and the cost of them should be deducted from the \$500,000,000 that Congress has set aside for the Veterans' Administration to buy new hospitals.

Mr. CLAYTON. I would think so because otherwise if the Army or any other agency transferred them to the Veterans' Administration without value, without compensation, I would think they, in effect, would be giving appropriations to that agency that Congress may have withheld.

Mr. COCHRAN. Absolutely. We put a limitation on them, and they should be held within that limitation, but at the same time, both agencies being a part of the Government, it would be to the advantage of the Government if the one agency that had no longer any use for these hospitals would turn them over to the agency that will have use for them for probably 25 or 50 years to come.

Mr. CLAYTON. Yes, sir.

Mr. GOSSETT. Mr. Chairman.

The CHAIRMAN. Mr. Gossett.

Mr. GOSSETT. There was just one thought I had in mind, relative to the interrogation of Mr. Whittington. In the disposal of properties



located in foreign countries, and it may be that little can be done about it, for example if we sell 100,000 trucks abroad at \$50 or \$100 apiece, whereas we sell them over here for \$500 or \$600 apiece we are going to be rather severely criticised by domestic purchasers. I am wondering if such of our foreign properties as might be usable at home will be returned after the war. Has that matter been discussed by your Administration as to how much of this property will be brought back for disposal here after the war?

Mr. CLAYTON. We feel that it is our duty to examine very carefully the nature of all of this property abroad and to make a determination of that kind as to whether it should be sold abroad, or whether it should be brought back here for disposal.

Mr. GOSSETT. Such of that property as could be economically brought back home and might be needed on our local domestic market, I take it will be brought back.

Mr. CLAYTON. Yes, sir; we feel it would be our duty to make that determination.

The CHAIRMAN. Mr. Clayton, I understand you have some amendments that you suggest?

Mr. CLAYTON. Yes, sir. These are very minor in nature. Two technical defects in section 17 have been brought to our attention.

The CHAIRMAN. Section 17?

Mr. CLAYTON. Yes, sir.

The first is that section 17 (b) could be construed as requiring that the expenses of each particular sale be calculated and deducted only from the ear-marked proceeds of that particular sale. This was not intended, and should not be. We suggest that any doubt would be removed by deleting the word "such" from line 10 on page 18. The section will then read:

SEC. 17. (b) From the proceeds of such transfers or dispositions, the agency may deduct all expenses incurred for the care and handling, completion, and transfers or dispositions of property under this Act, and may reimburse the fund or appropriation bearing such expenses, or the corresponding fund or appropriation currently available at the time of reimbursement.

The second defect is an omission. Section 17 as written can only apply to cash proceeds, since only these can be deposited in the Treasury. Since the bill permits sales for considerations other than cash, and also secured by mortgages or other security, it is suggested that a new section (f) be added to section 17 (and mentioned in line 5) reading as follows:

(f) Where property is transferred or disposed of under this Act for any consideration other than legal tender of the United States, the disposal agency shall convert such consideration into legal tender of the United States as rapidly as it deems practical and pending such conversion, may retain, preserve, and manage such consideration, in such manner as it deems appropriate. Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Administrator may prescribe regulations to govern the exercise of the authority granted under this subsection.

The CHAIRMAN. Is that the end of them?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Does that authorize the disposal agency to accept a different kind of plant or manufacturing establishment for one that

the Government has declared surplus and to operate that until they can sell it?

Mr. CLAYTON. The bill does provide that the disposal agency under regulations prescribed by the Administrator, may dispose of property for other property.

The CHAIRMAN. I might have misunderstood section (f).

Mr. COCHRAN. This provision that you have suggested now only has to do with the disposition of proceeds, has it not, and limits it to that alone.

Mr. CLAYTON. Yes, sir.

Mr. COCHRAN. And has nothing to do with anything else?

Mr. CLAYTON. No, sir.

Mr. COCHRAN. Just the disposition of proceeds?

Mr. CLAYTON. That is correct.

The CHAIRMAN. Is that the only amendment you have to suggest?

Mr. CLAYTON. I mentioned one this morning, you know, to include the Administrator of the Office of Price Administration in the Board, the Policy Board.

Mr. WHITTINGTON. On what page and what line?

Mr. COCHRAN. In section 4, just put in the Administrator of the Office of Price Administration.

Mr. CLAYTON. In section 4, page 5, we would like to insert as a member of the Board the Administrator of the Office of Price Administration.

Mr. COCHRAN. The Administrator of Price Administration?

Mr. CLAYTON. Yes, sir; the Administrator of the Office of Price Administration.

The CHAIRMAN. What effect does that subsection (f) that you have just read have on section 11 (a)?

Mr. CLAYTON. That has none. It has none whatever on that. It merely has to do with the disposition of the proceeds.

The CHAIRMAN. Of the proceeds?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. In other words, as I understand it, you cannot sell in the foreign markets for anything except cash under the terms of this bill?

Mr. CLAYTON. Yes, sir; you could sell for something besides cash. I stated that we had a policy that at the present sales must be for cash, United States dollars.

The CHAIRMAN. But you could sell to a foreign corporation or foreign government certain surplus over there and take in exchange some raw materials from that country and bring them back to this country and sell them in our market?

Mr. CLAYTON. It is permitted under this bill.

The CHAIRMAN. Under this bill?

Mr. CLAYTON. Yes, sir.

Mr. COCHRAN. You could dispose of them and the proceeds would come under Section 17?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Does this bill authorize stand-by plants?

Mr. CLAYTON. No, sir.

The CHAIRMAN. But the operating agency could hold plants that are surplus to their needs at the present time, and could hold them even under the terms of this bill as stand-bys?

Mr. CLAYTON. Yes, sir, they could.

The CHAIRMAN. By not declaring them surplus?

Mr. CLAYTON. Yes, sir; by not declaring them surplus.

Mr. COCHRAN. They might utilize them for storage purposes?

Mr. CLAYTON. Yes, sir; they could.

The CHAIRMAN. So that you need no amendment to cover that particular phase of it.

Mr. WOLVERTON. Mr. Clayton, with reference to section (f) which you propose be added to the bill, would that, by indirection, give you the authority to sell in foreign countries for their currency and then get out of it what you could in exchange to United States currency?

Mr. CLAYTON. Mr. Wolverton, it is already permissible under section 11 (a).

Mr. WOLVERTON. That is, that you could sell for foreign currency?

Mr. CLAYTON. Yes, sir.

Mr. WOLVERTON. Then, under this section (f) you could take that foreign currency and turn it into United States currency on whatever terms you could make?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Not at current rates of exchange.

Mr. WOLVERTON. I had gotten the impression that you could only sell for United States dollars.

Mr. CLAYTON. That is our present policy.

Mr. WOLVERTON. But that is a policy and not by reason of the President's Executive order, and it would not be other than a policy under the terms of this bill?

Mr. CLAYTON. That is correct; yes, sir.

The CHAIRMAN. Would you then be authorized under those terms to take the foreign currency to purchase foreign raw materials and bring them into this country and then convert them into American dollars? That would be two cash transactions.

Mr. CLAYTON. I do not think under this bill we could do that, but we could trade trucks for tungsten, for example, or manganese under this bill and then bring that here and dispose of it. I do not believe we could sell this property for money and then take the money and buy some other property and bring it to this country and sell it.

The CHAIRMAN. I mean if you sell it for some foreign currency like Chinese dollars or Russian rubles.

Mr. CLAYTON. Mr. Scott, our general counsel, who is sitting beside me, tells me that he thinks that under the bill if we sold for Chinese dollars, and we had an opportunity to buy property there with those dollars and bring it to the United States, and that that was the safest and most rapid way of converting Chinese dollars into American dollars, he thinks that under the bill we would have the authority to do that.

The CHAIRMAN. That is the way I construe it.

Mr. COCHRAN. What you bought in foreign countries, or what you traded our surplus property for undoubtedly would be commodities which would not interfere in any way with American business?

Mr. CLAYTON. Well, of course, Mr. Cochran, that is pretty broad language, "not interfere in any way."

Mr. COCHRAN. What I mean is if we had a surplus of that commodity you would not buy if over there and try to sell it over here?



Mr. CLAYTON. Certainly not.

Mr. COCHRAN. You would take something they might have, and where there was a shortage of it in this country and then bring that over here where you would not disturb business to any great extent?

Mr. CLAYTON. I think that is right, but I think I might emphasize that would be a very exceptional and extraordinary way to dispose of this property, and I do not anticipate the occasion will arise to do it in that way, because if the property that we get in exchange is salable in this country there are plenty of people who would buy it there and bring it here and sell it, and their purchase of it would make available to the purchasers of our property the dollars with which they would buy our property. So I do not think you would find us or any administrator engaging in a transaction of that kind. I would think the circumstances would have to be very extraordinary to justify it.

Mr. ZIMMERMAN. That would be in violation of the objectives as set up in this bill, not to disturb economic relations in this country.

Mr. CLAYTON. I think that is one aspect of the question which I had not taken into account. I was only speaking of the principle involved, and I think that we should try to avoid, and any Administrator will want to avoid disposing of this property and buying other property with the proceeds and bringing it to this country. That just does not seem quite the way to do it.

Mr. COCHRAN. I did not mean buy. I meant where they did not have the money to buy, and they were willing to give you something that we needed or that we wanted.

Mr. CLAYTON. That might very well be, but as I said, if it is something of value that could be sold in this country there would be private people ready to buy it of the foreigners and pay them dollars, which would then make available to them the dollars they would need with which to buy from us. Therefore we would not have to inject ourselves into the situation as an importer into this country of foreign property.

Mr. WHITTINGTON. What limitation is there on the upshot price, or the amount that you might receive for anything sold?

Mr. CLAYTON. I do not quite understand.

Mr. WHITTINGTON. What limitation is there on the value of property you are authorized to dispose of? In other words, can you sell it for 5 percent of its value, or 10 percent of its value?

Mr. CLAYTON. We can give it away as you see here.

Mr. WHITTINGTON. I am speaking generally. Can you dispose of it at its reasonable commercial value, or what is your yardstick?

Mr. CLAYTON. It is expressed in 12 (h):

To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

Mr. WHITTINGTON. Yes; that is, following this method of the disposal of property for cash or credit, that language is intended to be applicable to any disposition of the property?

Mr. CLAYTON. Yes, sir.

Mr. WHITTINGTON. I want to make that clear.

Mr. CLAYTON. I think it is clear.

Mr. WHITTINGTON. Because in section 11 there is nothing said about the amount that the Administrator shall receive for the property with respect to its intrinsic, commercial or other value.

Mr. CLAYTON. I think, Mr. Whittington, that any Administrator, even if there were no provision whatever in the bill, would feel that he was not authorized under general law to dispose of any Government property except for its full value.

Mr. WHITTINGTON. I think any Administrator like you, but frankly I think some folks have a different idea about the disposal of Government property. A lot of them want to give it away right now. Your kind is all right. I am for your idea.

Mr. WOLVERTON. In connection with the discussion that we have had with reference to the sale of goods or exchange of goods in foreign countries, what, if any, bearing does clause (f) on page 13 have on this matter, and if it has none, then what is the purpose of it? It reads:

To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets.

Mr. CLAYTON. I think, Mr. Wolverton, that merely means that where we have an opportunity to dispose of a certain type of property abroad which would help introduce American property in that market, that we should take that into consideration and do anything in connection with the handling of this property which would help to develop international trade.

Mr. WOLVERTON. So, you think it has a meaning broader than the limited discussion we had about property that is in foreign countries? You take that to mean that you should take that into consideration in the sale of any property, whether located abroad or here?

Mr. CLAYTON. I think so, yes, sir; that that should be one of the considerations that we could take into account.

Mr. CHURCH. You think it has nothing to do with the question of tariff of free trade?

Mr. CLAYTON. I do not think so; no, sir.

Mr. COCHRAN. For instance, if you had some property in a country that manufactured commodities that are not manufactured in this country, and which we were required to import, it would improve our trade relations if you could arrange for someone to take that over for the manufactured commodities that we needed. Would not that be an improvement of trade relations?

Mr. CLAYTON. If we needed to buy that property, if we had some sort of property that they could use in exchange for it, of course, that would assist our relations. Take for example the question of aircraft, we will have, as you know, a very great surplus of aircraft at the end of this war that will have to be disposed of. I think it is very important to see that those aircraft with the name of American manufacturers on them should be distributed very largely and very broadly around the world as far as we can, and I think that is one of the things that this 12 (f) has in mind.

Mr. COCHRAN. But that, in the long run, is going to depend a great deal upon the agreements we reach after this war is over with foreign nations, because you are not going to sell any combat planes to anybody.

Mr. CLAYTON. I speak of transport planes.

Mr. WOLVERTON. Well, when you consider (f) and (h) together, (h) requires that you realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this act.

Now, one of the policies is to encourage mutually beneficial trade relations with foreign nations, to develop foreign markets, and one of the means of doing that is to sell property, maybe at a loss, in order to get it before the people. Would you feel under those circumstances that (f) controlled the price on (h) to such an extent that you could practically give it away because it might be an encouragement to the increase of trade relations?

Mr. CLAYTON. I not only would not feel, speaking for myself, that we could give it away—

Mr. WOLVERTON. When I said "give it away," I was speaking in the strongest terms possible. I meant to make a price that was so low that, in effect, it would be that.

Mr. CLAYTON. I would not feel I was authorized, or certainly would not feel inclined, to sell abroad at any substantial discount over what we could get for it in this country.

Mr. WOLVERTON. On the theory, even, if you felt that to do so would promote trade relations with a foreign nation?

Mr. CLAYTON. No, sir; I would not. I think they are relative expressions. I mean I do not think it means that the administrator is supposed to give away—

Mr. WOLVERTON. I am not saying you should not do it; I am just asking the meaning of it.

Mr. CLAYTON. Yes, sir; I understand the nature of your questions. But I feel any administrator would interpret that to mean, other things being equal, that he was to take that into account; but that he certainly would not be justified in giving away any of the Government's money or property for that purpose.

The CHAIRMAN. Really we could strike it out, couldn't we?

Mr. WOLVERTON. Well, we will need foreign trade to take care of our national income; so I guess you would not be losing much if you took a trade view of it.

The CHAIRMAN. It would be all right to strike it out, would it not, Mr. Clayton?

Mr. CLAYTON. I would not like to see it stricken out, Mr. Chairman. I think it is a good thing to have in there and keep in mind; but I do not think we need fear any improper use of it, or any undue emphasis being placed upon it.

The CHAIRMAN. Well, some of our people are becoming a little suspicious; after seeing that the only use ever made of the antistrike bill was to try to implement the orders of the F. E. P. C., they are getting a little suspicious.

Mr. WHITTINGTON. I agree with Mr. Clayton there, but it strikes me when you say "mutual"—to incur mutual benefits—that means benefits to both sides—our side, their side, here and there. That word "mutual" there saves the situation, as I see it.

Mr. COLMER. Mr. Chairman, Mr. Folsom of our committee, I think, had a question he wanted to ask.

Mr. FOLSOM. There were several people made the suggestion to our committee that there should be a provision in this bill for establishing advisory committees on which small business would be adequately represented as well as the retailers, wholesalers and manufacturers. I understand you have such committees now and I wonder if it would not be a good thing to incorporate that in the bill.



MR. CLAYTON. We felt the use of industry advisory committees was so obviously the thing to do in this problem that it was not necessary to incorporate a provision to that effect in this bill, and I still feel that way. As a matter of fact, those industry advisory committees are availed of by the disposal agencies and not by the Surplus War Property Administration. They have some 700 of those industry advisory committees over at W. P. B. and, sooner or later, I expect a great many of those committees will have to be called upon for technical help and advice in the disposal problems. But we have felt that the disposal agencies were the ones to confer with them and work with them, rather than the Surplus War Property Administration. As I have said before, we have a very small staff. We have less than 50 people working for us now, counting all of the clerical help, and we want to keep the organization compact and small.

MR. FOLSOM. I had in mind the suggestion that the disposal agency should have an advisory committee, and two or three of the bills introduced have such a provision in them.

MR. CLAYTON. I do not see any objection to it, but the language would have to be drawn very carefully so as not to give the industry advisory committees any veto powers. Also, I would think it would have to be drawn in such a way that the disposal agency was not compelled to consult them in every case before they could sell some property. For that reason, I think it is better to leave it out of the bill; but I do not object to it seriously.

THE CHAIRMAN. Mr. Clayton, we are sorry we have kept you here all day, but I think your testimony has been very informative and helpful to the committee. Unless there are further questions—

MR. WHITTINGTON. Mr. Chairman, I would like to say this: I asked him about separating ordinary administrative Government and other property from war surpluses and, personally, I think that is the proper way to handle it. But we face a condition here rather than an ideal situation. It is most regrettable—and I say that without criticism of the Senate—that the House has made provision here for the disposal of ordinary surpluses and we did not make provision for the disposal of war surpluses. We want to study that.

This bill we have passed, as you have indicated, covers not only administrative properties, but covers both war and peace surpluses intended for the prosecution of the war. That bill should have been passed a year ago, and while we can criticize the Executive for a number of Executive orders and executive agencies, since February of this year we would have been without authority to dispose of much property, except for the Executive order that combines the disposal of ordinary surpluses with war surpluses. And the only justification, Mr. Chairman, in my view, for embracing the disposal of both classes of property is the House has done its best and passed a provision for the disposal of it, and it is lamentable that it has not passed the Senate. And if they want to strike it out after it gets over there, I would not have any objection, but I still think this is a better device to handle it. We have done that and have passed a bill and it might be there would be some improvements if the same thing was passed again. Personally, I would like to see it divided normal or war surpluses; but, as I say, by including it, but, I personally am not making any objection to the pending bill at this time.

I assume we will have a suggestion from the Director of the Budget in a day or two, before we report the bill. I wanted to make this statement.

MR. ZIMMERMAN. Mr. Chairman, I would like to make a statement as a member of the Post-war Planning Committee. I just want to express my personal appreciation for this invitation to appear with members of the Expenditures Committee of the House, and I also wish to express my appreciation for the very clear and comprehensive statement made about this bill by Mr. Clayton.

MR. COLMER. Mr. Chairman, I wanted to say something myself along that line. I wish now to say that I concur in what my colleague, Mr. Zimmerman, has said. And, in saying that, I would also like to say that while it is true there has been no legislation enacted by the Congress on the subject, I am of the opinion that, as a result of the experience that Mr. Clayton has had in his capacity as Administrator, we have and will have a much better bill, or have a much better law, than we would have had if we had legislated without the benefit of that experience. So I am not so sure we have lost anything, in the long run.

And I hope, Mr. Clayton, this will be the last time you will have to appear before any of these committees and that we can get some legislation enacted and let you go ahead and perform the duties of your office.

MR. WHITTINGTON. Before Mr. Clayton leaves—and I will not tell him “good-bye”, because personally I enjoy having him as a witness down here on a matter as important as this—I would like to have his general counsel give us the language for an amendment to section 7 and have it presented before we report the bill.

THE CHAIRMAN. He is going to present that to the committee when we get ready to report the bill.

MR. WHITTINGTON. I would like to have him give us the exact language. I think we would like to have that.

MR. CLAYTON. I thank you very much, Mr. Chairman, you and the other gentlemen, for your kind expressions and your patience in listening to me.

I would just like to say one thing for the record in reference to the last point Mr. Folsom brought up about the use of industrial advisory committees. I think, if anything is incorporated in the bill on that subject, provision ought to be made for exempting the activities of such committees and persons serving on them from action under the Sherman antitrust law; because I understand they have a great deal of concern, in acting under a statute of that kind, about that matter. I would think the bill ought to provide for an exemption from the Sherman antitrust law in such activities.

THE CHAIRMAN. We will work that out.

(After informal discussion, the committee adjourned until tomorrow, Wednesday, August 9, 1944, at 10 o'clock a. m.).

# SURPLUS PROPERTY ACT OF 1944

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WEDNESDAY, AUGUST 9, 1944

## HOUSE OF REPRESENTATIVES COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, *Washington, D. C.*

The committee met at 10 a. m., Hon. Carter Manasco (chairman) presiding.

The CHAIRMAN. The committee will be in order. We have with us this morning Secretary Wickard who desires to make a statement to the committee. We shall be glad to hear you at this time, Mr. Secretary.

### STATEMENT OF HON. CLAUDE R. WICKARD, SECRETARY OF AGRICULTURE

Secretary WICKARD. Mr. Chairman and gentlemen of the committee:

First of all I want to make it clear that my remarks on disposition of surplus war property will concern only Government-owned land, facilities, equipment, machinery, and materials which properly can be used for agricultural purposes. The War Food Administration will testify concerning the disposition of food and other agricultural products.

I think H. R. 5125 is in essence a good bill and should become law. In my opinion the outstanding merit of the bill is that the objectives as stated in the bill reflect the idea that the disposal of surplus Government-owned war property is not to be a mere liquidation but to be an operation in the long-time interest of the whole Nation. In order that these objectives may be attained, I would like to see the bill more explicit in its authorizations and directives to the Surplus Property Administrator. I believe the suggestions I shall make are in conformity with the policies and procedures which have been established by Congress in previous legislation.

Land: A great variety of land, ranging all the way from sub-marginal areas to some of our very best farm land, was acquired for various war purposes. When an area is declared surplus, a determination should be made immediately as to which parts are agricultural land.

The agricultural land which was owned by Government agencies before its utilization for war purposes should be returned to such agencies.

The remaining agricultural land should then be surveyed by agricultural technicians to determine its proper use on a long-term basis.



Submarginal land should be assigned to the proper State or Federal Government agency depending upon location and the use to which it might be put. For example, some of the land might be included in soil-conservation, erosion-control, and forestry programs of the Department of Agriculture or of appropriate programs of the Department of the Interior.

Such disposition of submarginal land not only would be wise from the standpoint of good land use, but would be economical in the long run even though the land might be sold for a few dollars per acre. This is true because it is very probable that sooner or later submarginal land which goes into private ownership will have to be taken over by public agencies at a time when its restoration or reforestation will be more difficult and costly.

The land which is determined to be suitable for ranching or farming should be divided into family-sized units by persons experienced in such matters. It should be offered for sale only to those who do not now own a family-sized farm and who intend to live on the unit and operate it for a livelihood. No family should be permitted to buy more than one unit.

Subject to the conditions above mentioned, first preference should be given former owners and second preference to war veterans. The disposition of these units should be in accordance with the principles of the farm-tenancy program authorized by the Bankhead-Jones Act.

It would be inconsistent with sound public policy to permit this land to fall into the hands of those who do not need it for homes and a living when so many former owners and servicemen will find it impossible to get a farm at reasonable prices and terms.

This land should be sold on the basis of long-time earning capacity, taking into account the damage to the land, and to the buildings, fences and other permanent improvements. From a strictly dollars-and-cents standpoint, I do not believe that the Government would gain by selling this land at the inflated values which current market prices reflect. Because of the Government's obligations to veterans to see that they have an opportunity to make a good living, any apparent gain from sale of farm land at high prices would be much more than offset by more costly and perhaps less effective methods of helping war veterans get back on their feet. Further, should the Government, by act and by example, accelerate the vicious land boom now getting under way, the Nation will have that much greater outlay when it attempts to restore the financial foundations of rural America, as it had to do after the land boom of the last war.

It is my earnest hope that Congress will make sure that the good farm land to be released by the Government is used for encouraging the family-sized, family-operated farm ideal of America, which has been the foundation rock not only of our agriculture but our entire Nation.

Plant facilities: A wide range of plant facilities have been constructed for war purposes, the disposition of which are of direct concern to agriculture. These plants range all the way from food and fiber processing and storage facilities to war plants which could profitably be converted to agricultural uses.

Wartime food processing facilities owned or financed by the Government include dried milk plants, concentrated citrus juice plants, dehydrated vegetable plants, and dehydrated raisin plants. Falling in a related category are the grain alcohol facilities now operating at

several locations as well as hemp processing plants in the Middle West. Government-financed cold storage facilities also have been constructed in widely dispersed sections of the country.

Since it is upon the Department of Agriculture that responsibility falls for price support and other farm programs enacted by Congress, none of these plants which might be useful in carrying out those programs should be dismantled or used for new purposes without Agriculture's approval.

Furthermore, there are certain industrial plants capable of conversion to agricultural uses, the disposition of which should reflect that possibility. For instance, the Department of Agriculture already has recommended that 40 percent of our wartime synthetic nitrogen plant capacity be converted to the production of nitrogen fertilizer.

Machinery and tools: Already a small number of trucks suitable for farm production are moving through regular commercial channels, and with the aid of the Department facilities, going to farmers or haulers of farm products in critical need of transportation facilities. Insofar as adequate price and service guarantees go with this equipment, Agriculture's interests are well served by this arrangement. Preliminary arrangements have already been made to sell surplus tractors and farm machinery and supplies in a similar manner.

In addition, there will be vast quantities of heavy equipment such as trucks, tractors, earth-moving equipment, road-building tools, and many types of supplies which can be used effectively and economically, and with great public benefit, in erosion control, irrigation, drainage and flood-control work, and in furthering programs in the field of soil, water, forest, and range conservation, and other public activities already recognized and sponsored by Congress.

For example, there are now more than 1,100 soil-conservation districts organized under the laws of the various States receiving Federal assistance. The availability of certain types of mechanical equipment would enable these districts to perhaps double their effectiveness in serving farmers all over the country and conserving the irreplaceable soil resources of the Nation by the construction of terraces, diversion ditches, drainage ditches, farm dykes, farm irrigation ditches and structures, stock water ponds, contour furrows, and similar soil- and water-conservation developments. Furthermore, the people of the United States own over 175,000,000 acres of land in the national forests. A large quantity of supplies and equipment of many types could be used to increase tremendously the effectiveness of the protection, development, and use of this public resource. Equipment is needed for telephone and radio communications, construction and maintenance of forest roads and trails, firebreaks, reforestation, erosion control, range fencing, and so forth. There are also widespread agricultural research, pest control and similar activities that need many miscellaneous types of equipment.

I believe that any legislation dealing with surplus war property should provide definitely and specifically for meeting the needs of these programs while this surplus is still in Government ownership. This could be done by legislative authorization or such other type of legislative sanction as will assure the transfer of adequate amounts of this equipment directly to the Government agencies charged with carrying forward these programs.

Rural electrification equipment: Only slightly more than 40 percent of America's farm homes are electrified, in spite of the rapid gains which the rural-electrification program has made during the last decade. During the war period extension of rural lines has been brought almost to a standstill. Now, with improved farm incomes, a large part of the 5,000,000 rural families in unelectrified areas are anxiously awaiting the extension of electrical energy to their farms and homes. Completion of the Nation's rural-electrification program in the post-war period offers one of the really great opportunities for providing employment and creating vast demands for consumer goods. At the present time, the Rural Electrification Administration has \$110,000,000 already allotted to co-ops which await only the availability of materials to begin construction. Also on file with the Rural Electrification Administration are applications for funds totaling an additional \$100,000,000. These two sums represent only the beginning on the post-war rural electrification job.

Among the supplies of war materials which will be declared surplus sooner or later, are large quantities of electrical equipment and materials, including some power-generating plants, which R. E. A. cooperatives could use to a splendid advantage. I hope that Congress will direct that a large share of these items be reserved for R. E. A. cooperatives, 800 of which are already in existence.

Cooperatives: Section I of the bill states, among other objectives, that it is the purpose of the bill to discourage monopolistic practices, preserve and strengthen the competitive position of small business, and to effect broad and equitable disposition of surplus property. I know of no more effective means of attaining these objectives than giving preference to farmer-owned and farmer-operated cooperatives in the disposition of equipment and materials which can be used for agricultural purposes. Such preference also would be in accord with the long-standing policy of Congress to aid in the establishment and operation of farmer-owned and farmer-operated cooperatives.

In conclusion I want at least to mention a subject somewhat outside the principal field of my discussion, but of great interest to farm people. That is the disposition of surplus medical and dental equipment. Details of handling this type of equipment lie far beyond the scope of the Department of Agriculture. But as Secretary of Agriculture, it is my responsibility to point out that selective-service records and other information indicate that the health needs of rural America are relatively greater than those of urban areas. I trust that Congress will bear them in mind when it lays down principles for disposition of medical and dental equipment.

The CHAIRMAN. Mr. Secretary, how would you dispose of surplus farm lands? Through what agencies would you dispose of them to meet the objectives outlined in your statement?

Secretary WICKARD. I think I would ask the same organization that has had the experience in the administration of the farm-tenancy program, under the Bankhead-Jones Act; that is the Farm Security Administration.

The CHAIRMAN. Have you made a survey of the number of farm units that will be declared surplus?

Secretary WICKARD. I think there are about 7,000,000 acres, and if those were divided up into family-size units, there would be perhaps eight or ten thousand, with good land.



The CHAIRMAN. The 7,000,000 acres would not all be suitable for farm purposes?

Secretary WICKARD. Yes.

The CHAIRMAN. Seven million acres?

Secretary WICKARD. There are about 20,000,000 acres altogether.

The CHAIRMAN. That would make 10,000 economic farm units?

Secretary WICKARD. Eight or ten thousand, depending upon the kind of agriculture they are going to pursue.

The CHAIRMAN. Under the provisions of the so-called G. I. bill, the returning veterans are to be loaned money to purchase farms, is that right?

Secretary WICKARD. Yes, sir.

The CHAIRMAN. As I understand, they have to be administered by the Veterans' Administration.

Secretary WICKARD. Yes, but I think that they are going to ask us to assist them. We are now discussing that matter with them.

The CHAIRMAN. Do you think, under the terms of H. R. 5125, the Veterans' Administration would have sufficient authority to accomplish the purpose?

Secretary WICKARD. Yes. I think they would have the authority. Of course, they would only deal with veterans and here we are proposing to give former owners preference, also.

The CHAIRMAN. Of course, former owners would not need anybody to look after them. How many former owners, would you say, would be involved?

Secretary WICKARD. That is pretty hard to tell. It all depends, of course, upon the prices and upon the terms. But I think there are going to be quite a few former owners who will want to get back some of the land that they have disposed of.

The CHAIRMAN. Would you say 50 percent of them?

Secretary WICKARD. I would question whether it would be that high.

The CHAIRMAN. Twenty-five percent, perhaps?

Secretary WICKARD. That might be more nearly accurate.

The CHAIRMAN. That would leave 7,500 farm units to be sold to the public, and if 7,500 veterans wanted them, you would not have much of a problem. Of course, the big problem would be deciding which veterans would have preference.

Secretary WICKARD. Yes, and what sort of aid the veteran would have to have, both from the standpoint of financial aid and the standpoint of giving him some supervision.

The CHAIRMAN. Do you not think that would be pretty much of a headache for the Veterans' Administration and the Department of Agriculture?

Secretary WICKARD. I do not think so. I do not think it would be a headache. It would require some technical information and some judgment in dividing up the units and selecting the people, and giving them the right sort of supervision.

The CHAIRMAN. There will probably be half a million returning veterans who would like to purchase farms. I am interested in knowing how we are going to pick out 7,500 out of half a million.

Secretary WICKARD. I think that is one of the reasons why I made the statement that I did make, that I hate to see this land given over to people who, perhaps, do not intend to live on it; or who are going

to try to purchase some land for purposes of avoiding effects of inflation, or for purposes of speculation. That is why I would be very anxious to see that the veterans are given preference, because there is not going to be nearly enough to go around, I think, under the very best of circumstances.

Mr. GOSSETT. If the chairman will yield to me for a question, I believe the Secretary suggested that we handle this in line with the principles of the farm tenancy program outlined under the Bankhead-Jones Act. Under that, local committees in various counties select the purchasers, do they not?

Secretary WICKARD. That is right.

Mr. GOSSETT. It seems to me that this would have to be handled in an almost identical manner. You must leave these cases to the local folks if you are going to work out the same kind of a program.

Secretary WICKARD. That is right.

Mr. GOSSETT. If there is land in your county, the farmers in your county should select the purchasers in line with the principles laid down in the act, it seems to me.

The CHAIRMAN. Now, about your plant facilities. Do you intend for the Government itself to operate these plant facilities for the manufacture of fertilizer, et cetera?

Secretary WICKARD. No, sir; I do not think that would be necessary or desirable. That is, unless they could not get private industry to operate them satisfactorily.

The CHAIRMAN. In earmarking tools for farmers, machinery and equipment, et cetera, would you object to earmarking certain tools for schools?

Secretary WICKARD. No.

The CHAIRMAN. Certain machinery and equipment for State highway departments?

Secretary WICKARD. No, sir.

The CHAIRMAN. Or county departments?

Secretary WICKARD. No, sir.

The CHAIRMAN. And certain hospital equipment for municipally operated hospitals and charitable hospitals?

Secretary WICKARD. I think that would be all right. Of course, I would like to see the rural areas, quite naturally, get a fair part of it.

The CHAIRMAN. Would you say that these various agencies should pay the fair market price for these tools and equipment?

Secretary WICKARD. Yes; I think they would have to do that.

The CHAIRMAN. If we start earmarking for one group of people, will we not have to earmark for everyone who would like to come in? Would not that destroy the very purpose of orderly disposition of surplus property?

Secretary WICKARD. Without some earmarking, the property would just go to people who wanted to speculate in it; or to people who would want to get a portion of the equipment that is available, for their use, when other people, perhaps, might have more need for it.

The CHAIRMAN. Would you object to these tools being distributed through the regular trade channels, or would you suggest that they be distributed directly?

Secretary WICKARD. Farm tools are now being distributed through regular trade channels. There are some men here who have been

working on that program and they can tell you about it. As I stated, it is working very well and that material is being distributed through trade channels to the farmers.

The CHAIRMAN. In other words, we would not have to earmark the tools?

Secretary WICKARD. I do not think farm tools would need to be earmarked, things like that; no, sir.

The CHAIRMAN. And your rural electrification equipment, that would not have to be earmarked for them. If they came into the market, they would have an equal chance with anybody else?

Secretary WICKARD. I do not know whether the R. E. A. co-ops would exactly be in a position to go in and bid against the big utilities, both from the standpoint of having to buy in big lots, or buying certain kinds of equipment. Of course, some of them would have to get approval for the spending of funds, and so forth. I was anxious, as I said in my statement, that the equipment be set aside for them, so that they could come in and get it whenever they were in a financial position to do so.

The CHAIRMAN. Of course, if we start earmarking for any group, then we cannot deny the school people; we cannot deny the States and counties; we cannot deny the hospitals or relief organizations in the matter of canned foods.

Secretary WICKARD. I think the fundamental principle to be decided upon by Congress is whether Congress is anxious just to dispose of this material in the quickest manner possible and perhaps at the largest return to the Government, or whether we are anxious to protect all the public institutions and the welfare of the whole Nation. I think there is a fundamental point there.

The CHAIRMAN. Of course, you cannot make it one-sided; you have got to take all groups in.

Secretary WICKARD. Yes.

The CHAIRMAN. And if we give farmers preference—and, of course, I am for the farmers and want to see them get everything they can—but if we give them preference, the people in the urban centers will say that they are entitled to preference in the matter of food and clothing, the things that the farmer producers.

Secretary WICKARD. Of course, the people in the urban centers do not need the same sort of things that are needed by people in the rural areas.

The CHAIRMAN. They need the food that our farmers are going to raise and going to try to sell to them, at a fair market price, after the war.

Secretary WICKARD. Of course, food is an article of consumption as distinguished from equipment to keep our economy going. I think the representatives of the War Food Administration will be glad to give you their ideas on that, when you give them an opportunity to testify.

The CHAIRMAN. I am just a little disturbed about this matter of earmarking for any group. That is all I have at this time.

Mr. COCHRAN. Mr. Secretary, as you proceeded with your statement, I noted two or three sentences that indicated to me that, if your suggestions were followed out, there would be an expansion of activities in the Department of Agriculture.



As you are probably aware, there is a large group of people in this country, and there are many Members of Congress, who think that the time has arrived when, instead of expanding, we should be retrenching.

First, I think you are fully entitled to the property that the Forest Service might have turned over temporarily to the Government. That should go back to you. But I heard you say that individuals who owned a tremendous amount of land inside the Forest Service—that likewise was taken over. Would you expect, in the return of your property, that the Surplus Property Administrator would likewise turn over to you this land that had been purchased from these individual owners, that was located in the Forest Service?

Secretary WICKARD. I did make reference to the fact that some submarginal land here and there should be given to the Soil Conservation Service, or the Forest Service, or Department of Interior programs, not necessarily to those agencies, but that they should be used in accordance with those programs; because I think if it is turned over to private ownership for further exploitation it will not be long before some State or Government agency will have to take it over and restore it.

Mr. COCHRAN. Subject to the appropriation that you get from Congress to buy that land. Congress, as you know, has been limiting you as to the amount of money that you could spend to buy additional Forest Service land. We are not giving you any at all now. That was under the McNary-Clarke Act, was it not?

Secretary WICKARD. Yes.

Mr. COCHRAN. You are not getting a dollar now; the Congress stopped that.

Secretary WICKARD. Yes.

Mr. COCHRAN. When we get through with this war, this will be the situation on the basis of what we found after the First World War. Veterans were allowed adjusted compensation. The Veterans' Administration has told me that in round figures that cost the Government approximately \$4,000,000,000. Taking into consideration the number of men who were in World War I, and the number of men and women who are in World War II, when an adjusted compensation bill comes up—and it is coming up one of these days—the cost will come to about four times that amount. On top of that we will have many other obligations that will confront us. Take, for instance, the interest on the national debt alone. That is going to run up to more money than we had been appropriating for the upkeep of this Government in normal times.

We are going to have to find some money to meet that. One of the ways we are going to get some of that money, if the matter is handled properly, is through the sale of surplus property. Of course, your guess and my guess are just as good as anybody else's on that, as to the amount of surplus property there is, but it runs anywhere from \$75,000,000,000 to \$150,000,000,000.

I think you ought to bear in mind, in considering this surplus-property problem, that you should not expand your activities in the Department of Agriculture; nor should any other Government agency expand its activities, without the permission of Congress. And you certainly will expand those activities if you are permitted to get a lot of this land that you did not own prior to that time, into the Forest

Service; and if you are permitted to get a tremendous amount of equipment, more than your appropriations will pay for.

Secretary WICKARD. As to the amount of land, I think it would be necessarily very small within the category of which you speak. Also, I think the Government has to carry the land it has so far as equipment is concerned, and if they do not get it in one way they will get it in another way.

I tried to make the point all through my remarks that I thought the suggestions I had made were in the interest of economy rather than in the opposite direction.

I think so far as this land is concerned, some marginal land may cost the Government a lot more to take it over later after it has been exploited. You might be able to sell a few trees and dispose of them for a few dollars, and you might be able to sell a little of it to somebody who wanted to divide it up, but sooner or later it will come back to the Government or State agencies for their care and its restoration.

So far as the equipment is concerned, I say again I think it is a question of whether the Government wants to transfer this property, this equipment, such as road-building equipment, which might be needed in the Forest Service to prevent fires. They will either want to let this equipment go back to private agencies, or buy it in some other way. I think it is a question of how you look at it. I am convinced that if my suggestions are followed they will be to the economic interest of the Government and will save money.

Mr. COCHRAN. You have a tremendous amount of machinery in the Forest Service and the other activities of your department. Unless Congress gives you the money to enlarge your facilities, how are you going to get the machinery? If you simply want to replace the machinery you have now that might be worn out you could procure that undoubtedly through the Procurement Division, if you could prove to the Procurement Division that your present trucks and bulldozers, and so forth, are worn out. That would be sound. But just to simply get a tremendous amount, more than you can pay for under the appropriations that Congress is now giving you, I do not think that should be allowed.

Furthermore, we do not want to shut out private industry in the future, and if we give you a whole lot of bulldozers, trucks and everything else to store that you will probably not want to look at for 5 or 10 years, what is private industry going to do? We want to get back to normal so that you will be buying your equipment off of private industry. That means employment for the people in the factories. That means that the employees are going to be able to buy more agriculture products.

Secretary WICKARD. We need all this equipment now, and we are going to have a lot of unemployed people when the war is over. They could use this equipment in the restoration of lands, which would be purely in the public interest.

Mr. COCHRAN. It would be to the public interest to give employment to people. The Congress is working now on legislation in the hope that we can tide these people over for a period until the factories have an opportunity to get back to where they can employ people again.

Secretary WICKARD. I hope that is possible.

Mr. COCHRAN. That is what we are trying to do. They are working on it in the Senate today.

Secretary WICKARD. As I say, this equipment should be transferred under the sanction of the Congress. They should decide. If the equipment is needed, Congress will have to approve that need.

Mr. COCHRAN. Looking at your statement as a whole, what you want is more activities for the Department of Agriculture. You want to take over the handling of the selling of this land, agricultural land, and you also want to equip it, and so forth. Under existing law you can get that equipment from the Procurement Division and the Procurement Division will tie up a part of your appropriation that Congress has given you to buy that. That is sound.

Now Congress limits you to the number of automobiles you can buy, and the kind of automobiles you can buy, and the machinery that you can buy. Under your plan there is no limit whatsoever.

Secretary WICKARD. Yes. I said that the Congress would have to sanction these transfers, arrange for them in the regular way.

Mr. COCHRAN. Yes. That is right in the bill. It provides for transferring surplus property to Government agencies, but when you transfer to Government agencies it is my view, and I think it is the view of a lot of the members of this committee, that that agency is going to take out of its appropriation Congress has given it funds to buy just that article and put that amount of money back into the Treasury, so we can help pay this bill that we are going to be confronted with.

Secretary WICKARD. I did not mean to imply that there should be a blanket authorization without any accounting, or not in keeping with the program already established.

Mr. COCHRAN. You cannot read your statement—at least parts of it—and not see that you are in favor of expanding the Department of Agriculture to a great extent.

Secretary WICKARD. I do not believe I am creating any new agencies, and I thought perhaps the agencies now experienced in these matters are the best ones to carry them on.

I do not think of any particular thing here that points to a great expansion.

Mr. COCHRAN. Do you not think that if we had one centralized agency to handle this surplus property with one man at the top responsible to the Congress—he would be the one to sell the property; he would be the one to designate that property to the various agencies to sell; he would be the one that would be the administrator—we would be better off by having a single agency of that kind rather than scattering it all over the Federal Government?

Secretary WICKARD. I do not disagree with that principle at all.

Mr. COCHRAN. Why do you want to take over the sale of farm land?

Secretary WICKARD. Some agency is going to do it.

Mr. COCHRAN. Why not let this Administration decide? Are you on that board of advisers?

Secretary WICKARD. No, sir.

Mr. COCHRAN. The Food Administrator is?

Secretary WICKARD. Yes.

Mr. COCHRAN. If the President thought it was advisable to put you on the board of advisers, he would have done so in the Executive order. He did not do that, but he put on the Food Administrator. Now, it seems to me we have got a job here, and it seems to me that the



Government agencies should think a little bit about the job that the Congress is going to be required to give to somebody to do. Government agencies should hesitate for a moment before they come in here and try to break up this program that has been advocated by the President and this board of advisers. If we are going to get into a controversy about who is going to handle this and that, we are never going to get anywhere with this bill in the Congress.

Secretary WICKARD. I was just trying to state general principles. I do not think my ideas are in disagreement with the objectives stated in the bill. I was just trying to suggest ways that would be more explicit in getting them carried out.

Mr. WHITTINGTON. As I understand, you favor generally the principles of this bill?

Secretary WICKARD. That is right.

Mr. WHITTINGTON. As you are aware, the committees of Congress have been conducting hearings, and the House has passed one partial bill for the disposal of surplus property, except that needed by the Army, the Navy, and the Maritime Commission for the prosecution of the war. We have conducted hearing after hearing, day after day.

The Committee on Post-war Policy and Economy has conducted a special hearing with respect to surplus property, and all of that material is available to us now. The President has set up an administration.

Among other items that you referred to in your statement is the item of trucks. I would like to ask you this question concerning the administration of surplus property. Congress, in your current appropriation, has provided for the purchase of automobiles, has it not—a few needed automobiles?

Secretary WICKARD. Yes.

Mr. WHITTINGTON. My recollection is that the Administrator of Surplus Property has disposed of many automobiles.

Did the Department of Agriculture obtain from the Administrator any of the automobiles needed, or were you advised that there were any for disposal?

Secretary WICKARD. I do not know whether I can answer that question or not. Could I call upon one of my men?

Mr. WHITTINGTON. I understood that there were thousands and thousands of automobiles as surplus property, and I want to know if the Government agencies got any of those automobiles, or if they were sold to a dealer and then resold to the Government at a profit.

Captain STAMBAUGH. Some automobiles, to my knowledge, went directly to the Department of Agriculture with reimbursement directly from the Treasury to the Department for its bureau uses.

Mr. WHITTINGTON. You were able to get these automobiles from the Administrator directly because evidently you were circularized; you were able to get them without speculation, without the Administrator selling this property to an individual and that individual in turn making a profit by reselling to you or to some other agency of the Government.

I would be very glad to know if that generally obtains with other representatives of the Government, because I have heard that criticism and I am glad to know that so far as your department is concerned, there is no foundation for the criticism.

Secretary WICKARD. We have no objection to the procedure being used.

Mr. COCHRAN. You did not get the automobiles that your appropriation permitted you to get?

Secretary WICKARD. That is right.

I would like to make this clear again: I said that all these things had to have the sanction of Congress. I think that is in my statement. All these transfers would have to have congressional sanction. I do not see how you could do it any other way.

Mr. COCHRAN. You feel that before you could get all that machinery that you speak about, Congress would have to give you an appropriation for that machinery before you get that surplus machinery?

Secretary WICKARD. Surely.

Mr. WHITTINGTON. That is the way that I understood your initial statement.

Mr. Secretary, as you stated, you are not a member of the advisory board; that is to say, the Secretary of Agriculture is not a member of the advisory board?

Secretary WICKARD. That is right.

Mr. WHITTINGTON. Properly you have said nothing about that in your general statement, that the Secretary of Agriculture is not a member of the advisory board. Now, I will ask you this question, whether or not from your knowledge and experience of the needs and requirements of agriculture as compared with other executive departments of the Government, the Secretary of Agriculture should be a member of this advisory board?

Secretary WICKARD. I do not think that is necessary. The War Food Administration is represented, and I think that they can present the views the other parts of the Department might have. I do not think it is necessary at all.

Mr. WHITTINGTON. At least a considerable part of this surplus property that may be obtained in peacetime. Either this or similar legislation would be permanent, and with the War Food Administration, it might not be permanent.

Secretary WICKARD. In that case, I think very probably the authority or the power would go back to the Department of Agriculture, and I think it would automatically be taken care of. I am much more anxious to see Congress state explicitly its attitude on these things than I am to serve on any advisory committee.

Mr. WHITTINGTON. I understood that, and for that reason you did not make any reference to the matter in your statement. However, I wanted to ask you as the representative of the agricultural industry of the Nation whether or not in your judgment it would be wise for the Secretary of Agriculture to be a member of the Board.

Secretary WICKARD. I do not think that it would hurt anything, but I do not know if it is necessary under the present arrangements.

Mr. WHITTINGTON. If the War Food Administrator should cease to be a member of the Board before the act expires, do you think that the Secretary of Agriculture should be substituted for him?

Secretary WICKARD. I think that would probably be automatically done unless there was something done to the contrary.

Mr. HALE. I would like to ask the Secretary this question. There is nothing in the bill itself, of course, which differentiates the manner in which land shall be sold as against that in which personal property shall be sold.

Secretary WICKARD. I do not believe that there is in this bill.

Mr. HALE. Should there be, in your judgment, some language in the bill itself which prescribes the method for selling land?

Secretary WICKARD. I would like to see that done. I would like for Congress to decide how it could be done, because I think anyone who is going to carry out the program would be in a much better position all of the way round if Congress would state how it is to be done.

Mr. HALE. Would you carry that a step further and prescribe certain methods for selling farm lands, and certain methods for selling urban property, like hotels, and so forth.

Secretary WICKARD. I had not thought of urban property. I have stated here how I thought the agricultural land ought to be divided. I hope that Congress will take steps to express its views on that particular thing, because I think there is some difference of opinion, and there might be some misunderstandings if the Congress is not explicit in that particular matter.

Mr. HALE. A year ago, when we were coping with the problem of the disposal of certain surplus Government property generally, without any particular reference to war surpluses, we drew a bill which actually passed the House which did not relate to land at all. We thought at that time that land should be the subject of separate legislation. Is that in line with your view now?

Secretary WICKARD. I do not know that it would have to be separate legislation. It ought to be pretty direct and explicit.

Mr. HALE. How about a separate provision?

Secretary WICKARD. Yes; it could be a separate provision.

Mr. HALE. I would like to see some language suggested. Those are all the observations that I want to make at present.

Mr. GOSSETT. I have been thinking along the same lines as Mr. Hale. I am greatly concerned about the manner in which sheet agricultural lands will be disposed of.

Mr. Secretary. I note that you said here that first preference should be given to former owners. With that I am in hearty accord.

Yesterday we questioned Mr. Clayton about the disposal of these agricultural lands, and he, too, expressed the opinion that former owners should be given some option within some reasonable period of time to repurchase farms that they had been compelled to give up in the course of the war program.

Some of us are of opinion that these former owners should have the option of repurchase at a price not exceeding that paid them for the land. I wonder if you have any views as to the terms, or the amounts to be paid by former owners in the repurchase of their lands.

Secretary WICKARD. I think that all purchasers should pay a price which is in line with the long-time capacity of the farm. Now, it is a little difficult to say that it should not exceed the previous price. I think in most instances, with the land having been changed quite a bit, and perhaps the buildings moved entirely, and all the other improvements, it is hard to get back to a former basis. In some instances there have been some improvements made—drainages and things like that that have been put in.

Mr. GOSSETT. I assume any formula as to price would take care of any actual increase in value due to Government usage.

Let us assume that here are 160 acres of land that I own. It was taken from me and turned into an Army camp. Nothing has been



done with it except that it has been used as a drill ground, and I want to buy it back when the Government gets through with it. Well, the Government sends in some appraisers. They paid me \$50 an acre for that land. They appraise it at this time at \$75 an acre. I do not want to buy it back at \$75 an acre, but I want to buy it back at \$50 an acre. Assuming that no improvements had been made on the land, should I not have the right to buy it back at a price not exceeding the \$50 an acre? I do not mean for that option to extend to everybody, but only to the man who had to take \$50 an acre for his land.

Secretary WICKARD. There does seem to be quite an element of fairness in what you suggest; however, there may be some instances in which the former owner has bought another farm.

Mr. GOSSETT. He may not want it back.

Secretary WICKARD. Yes, but he may try to finance buying it back so that he can dispose of it later.

Mr. GOSSETT. If anybody is going to be cheated in these operations, it ought to be the Government and not the fellow who had to give up his land, and if he feels that he did not get a fair price for his land and he wants to buy it back at the price at which it was taken from him, it seems to me, as a matter of justice, he ought to have that privilege.

Secretary WICKARD. As I said, I feel that we should dispose of all this land at values which are in line with the long-time earning capacity of the property. In this particular instance that you cite there might be some element of justice in not making a profit from that man's land.

Mr. GOSSETT. Now, you are concerned, as I am sure most of us are, with seeing that there are no speculative profits made out of this; that it is kept out of the hands of the manipulators.

Do you feel that we should write into this bill, or into some bill, some formula that would preclude this land being bought up in large blocks, or by real estate syndicates?

Secretary WICKARD. I think that you should do that because, first, it is in line with the policy of the Government in promoting the family-size farm.

My suggestions here are that, first, these units be of family size and that no one person should be permitted to buy more than one unit.

What my fear is is that somebody may come in and try to buy a number of them, either in a block or in some other way, and that seems to me undesirable from almost any standpoint. I think, however, that the Administrator should be told what the policy of the Congress is, because otherwise he may be criticized because he does not get the highest price which he can get from an insurance company, or from some large corporation which wants to buy these units.

Mr. GOSSETT. I agree with you 100 percent. I think that you are entirely right about that. I hope that the committee follows your suggestion.

Secretary WICKARD. I think it is only fair to the Administrator for the Congress to express its opinion rather pointedly on this particular thing, and then there will not be any trouble.

Mr. McCONNELL. Mr. Secretary, I think I understand you, and would this not be the result—a person owns a large farm. Part of that farm, or all of it, is taken over by the Government for war purposes. The war ends, and they desire to get back the same-sized farm they

had. Under your suggestions here they would be able to get only a family-sized farm back. In other words, the effect would be by that method to redistribute the farm ownership; is that correct?

Secretary WICKARD. Perhaps that would be the effect if it were applied literally. I have thought of the very same thing you have mentioned. Of course, you have to realize that in a great number of instances this land has just been completely changed so far as the landscape is concerned. Buildings have been removed. It is all thrown together. It is going to be difficult to go in and pick out of the heart of that plot exactly the old land, and I do not think the former owner could perhaps be quite so insistent upon getting it if he saw the conditions at the present time. There are variations of that circumstance, of course.

Mr. McCONNELL. Assume then that he could get the same land back, or that it would be in the same general condition as it was before, would you still be in favor of his getting back his former land?

Secretary WICKARD. If you paid off a large holder such as a bank or an insurance company for a large tract of land with what they had coming to them, they would perhaps take the money and make reinvestments, so I just do not know.

Mr. McCONNELL. Leaving out the bank or the insurance company, suppose that it was a large individual owner.

Secretary WICKARD. Justice would perhaps require that he should get it back, if he so desired, and if the unit was still intact he should have a chance to get it back, especially if he intended to use that as a home.

Mr. McCONNELL. You would make this an exception to your family-sized farm?

Secretary WICKARD. There could perhaps be exceptions, but if you are not careful you will get too far away from the principle that I have tried to describe.

Mr. McCONNELL. There was one other matter. You said that a wide range of plant facilities have been constructed for war purposes, and you are very concerned about what happens to them afterward; in fact, you would like to have some say-so about their operation afterwards. By that do you mean that you would like to have the Department operate them?

Secretary WICKARD. No, sir. I meant before they were torn down, or before they were given over to some other user, that the Department of Agriculture would say, "Well, these plants are needed for the storage of agricultural products."

Mr. McCONNELL. Would you rather have private industry run them?

Secretary WICKARD. Yes.

Mr. McCONNELL. I approve of that.

Mr. COLMER. Mr. Secretary, I would just like to make an observation to the effect that while I think from the standpoint of administrative functions I do not think it would be practicable, I think you are to be commended upon the zealotry with which you have been looking after that particular duty that you are charged with as the Secretary of Agriculture. I think it has been thoroughly demonstrated here that it is very difficult to set down any particular yardstick for the administration in any detail of this tremendous task of disposing of this surplus property.

We all want to see, for instance, the former owner get his property back, and yet when we start writing a formula for that we run into some of the difficulties that have been demonstrated here by these questions and answers this morning.

I want to approach this little delicate matter that has been raised here this morning about your representation on the Board, and I can appreciate that it is a delicate one. I think that the Secretary of Agriculture should be a member of this Board. I say that in spite of the fact that my name is attached to this bill. Of course, you appreciate that when this bill was written the drafters of the bill had before them the Board as set up by Executive order.

In view of the fact that all other agencies of the Government, I believe, are covered in this I do not think that your Department is sufficiently represented on that Board, and I think that your Department should be, that is, that the Secretary of Agriculture should be. I am expressing my views, Mr. Secretary, and not soliciting any further views from you.

Secretary WICKARD. May I make this statement, however?

Mr. COLMER. May I just say this further?

Secretary WICKARD. Yes, surely.

Mr. COLMER. And then I think I will have concluded. I think that if your Department were adequately represented on this Board, that then that Department would be in the same category as all other departments, and there would be less justification for spelling out any particular standards or formulas, so far as your Department is concerned.

Secretary WICKARD. I was just going to say that if I were a member of the Board, I would have the same views I have here, but if those views are not in conformity with the wish of Congress I would like to know it, and if they are I would like to insist upon seeing them carried out as stated by Congress.

Mr. COLMER. I am not quite sure that I agree with you on that, that you would be in the same position. This Board is set up primarily as an advisory board.

Secretary WICKARD. That is right.

Mr. COLMER. The bill is broad enough in its general scope to take care of the whole situation with regulations that might be formulated, and so forth. Therefore, if the Secretary of Agriculture were represented upon this Board, I think the situation would be entirely different, with all due deference to your opinion in the matter, and I am impressed with my colleague's, Mr. Whittington's, observation to the effect that the War Food Administrator is not a permanent institution and therefore does not answer adequately. Otherwise, sir, I am in accord with your statement.

Secretary WICKARD. Again may I add this one statement: If this is to be merely a liquidation program and if the surplus war property is to be sold to the highest bidder I do not see that the Secretary of Agriculture can be of much use in an advisory capacity. I think that would decide that principle. That is the only thing I was seeking to bring out in my remarks. I think if you are going to appraise the land at the highest dollar value for the Government that can be done without too much fuss.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. COLMER. Yes, I will yield to my friend, Mr. Zimmerman.



Mr. ZIMMERMAN. I would like to ask this question at that point: As the Department of Agriculture is now set up, does it have any surplus property to dispose of?

Secretary WICKARD. The War Food Administration has all of it.

Mr. ZIMMERMAN. The War Food Administrator has control of all surplus property and agricultural commodities owned by the Government?

Secretary WICKARD. I think that is right.

Mr. ZIMMERMAN. As the Department of Agriculture now operates you have no surplus property of any kind to be disposed of, and I presume it is for that reason that the head of the Department of Agriculture was not put on this Advisory Board by the Executive order and that procedure was followed in the drafting of this bill.

Secretary WICKARD. That may have been of influence in the matter.

Mr. RANDOLPH. Mr. Chairman.

The CHAIRMAN. Mr. Randolph.

Mr. RANDOLPH. Am I interrupting you?

Mr. ZIMMERMAN. No; I have completed my questions.

Mr. RANDOLPH. Mr. Colmer raised a question and strengthened also Mr. Gossett which I have in my mind, and which I should like the Secretary of Agriculture to comment briefly on at this point. Did your Committee on Post-war Planning, Mr. Colmer, study a proposed bill which had, at least, its inception within the Department of the Interior? Do you recall whether or not there was such a measure before you?

Mr. COLMER. To do what?

Mr. RANDOLPH. A surplus-property bill which had been prepared by officials in the Interior Department. The reason I ask that question is because I had occasion to read a draft of that legislation last night, and particularly am I interested in its approach to the lands that possess agricultural uses. In that legislation the Secretary of Agriculture was included as a member of the Advisory Board. It seems the Agriculture Department should be included through a spokesman.

Mr. COLMER. I do not recall that bill, Mr. Randolph. There are any number of bills dealing with the subject. Frankly I am not familiar with it.

Mr. RANDOLPH. It came to my attention and I read it last night. I was particularly interested in the land and agricultural phases.

Mr. Gossett has said that he believes that former owners should be given preference and then, perhaps, you might agree that public agencies should come second, and I am not sure about that.

Secretary WICKARD. In the disposition of land?

Mr. RANDOLPH. That is right.

Secretary WICKARD. Only in those cases where there was an airport, or where there might be some submarginal land, but not for the land which is suitable for farming or ranching.

Mr. RANDOLPH. You do not have any order of returning land to former ownership?

Secretary WICKARD. Yes, sir; I stated here that former ownership should be given first preference and then veterans second.

Mr. RANDOLPH. I notice that for a 15-year period veterans would be given preference in the bill I have mentioned. Do you believe there

should be any stated number of years? If these veterans of the present war are to be given a preference in acquisition over all other purchasers for a period of years do you believe it should be for any certain number of years, such as 15?

Secretary WICKARD. That seems to be quite a long period. I do not know that I would specify any stated number of years, but I think we ought to retain this land until the veterans have a chance to take it up. But I do not think it will take any 15 years for them to acquire this land.

Mr. RANDOLPH. Mr. Secretary, you believe it would be inadvisable to insert or include a definite number of years as to veterans' preference?

Secretary WICKARD. I do not think it is necessary to do that right now. I have not thought about the matter before.

Mr. RANDOLPH. Mr. Chairman, without objection, I would like to file with the committee at this point this proposed bill and a summary of its provisions, just for the committee's attention and assistance in drafting the bill as it comes to the House floor.

(The matter submitted by Mr. Randolph is as follows:)

#### SUMMARY OF PROPOSED SURPLUS PROPERTY BILL

In general, this bill would establish a procedure for the administration and disposal of lands acquired by the Government, together with all plants, buildings, and other improvements thereon, which are no longer needed for Government purposes. Public lands would be included only so far as they are the sites of industrial plants or similar structures. In order to aid in the administration of Government property, the bill provides for the establishment and maintenance of a central inventory of Government-owned lands in the General Land Office.

Surplus property would be determined, administered, and disposed of as follows: Heads of agencies are to declare to the Secretary of the Interior all real property no longer needed by the agencies. If the President concurs in their determination or otherwise finds that property is not needed by an agency, he shall transfer such "declared property" to the Secretary, who shall classify it and then dispose of it to any Government agency needing and requesting the property. If no agency wants it, the Secretary may still retain the property in Government ownership if he decides on the basis of certain factors that such retention is desirable.

If the property is not retained, it becomes "surplus property" and, after appraisal, may be sold by the Secretary at public sale or by negotiation. Former owners are to be given preference in sales or leases; secondly, public agencies and cooperatives. But for a 15-year period, as to surplus property classified as suitable for agricultural, residential, or small business purposes, veterans of the present war are to be given preference in acquisition over all other purchasers.

To advise the Secretary on general policies as to the disposal of surplus property, a Surplus Property Advisory Board is created, to be composed of representatives of the Departments of Agriculture, Commerce, Interior, War, Navy, and Treasury, and six public members.

Pending a study by the Secretary to determine the effect on local taxing agencies of the retention in Government ownership of declared property, the Secretary is authorized for a 5-year period to enter into in lieu of tax payment agreements with such agencies.

Finally, the bill provides for the protection of reimbursable funds out of which surplus property was originally acquired, reports to Congress, and the continuance of the exercise of space assignment functions in public buildings by the Commissioner of Public Buildings under the act of August 27, 1935 (49 Stat. 885).

A BILL To establish a central inventory of federally owned real property, to provide for the orderly disposition of surplus real property owned by the United States, and to provide for the disposition of such property for the benefit of veterans so far as practicable

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is hereby declared essential to efficient land utilization and land management and the protection of lands held for conservation purposes that a central inventory be kept of all lands owned by the United States

and that a comprehensive procedure be established for the orderly disposition of surplus real property owned by the United States. It is further declared that wherever such surplus property may be utilized for the purpose of assisting returning veterans to reestablish themselves in civilian life, it is in the national interest that they be granted preferences with respect to the acquisition of such property in order that this purpose may be furthered.

SEC. 2. As used in this Act, unless the context otherwise requires—

(a) "Property" includes land, together with any fixtures and improvements thereon, located outside of the District of Columbia acquired by the United States or by any corporation wholly owned by the United States, but does not include the public domain, or lands withdrawn or reserved from the public domain, except such portions thereof as may constitute the site or part of the site of an industrial plant, factory, or similar structure.

(b) "Veteran" means any person who during the present war was intitled to the benefits afforded by the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, and who has been honorably discharged or otherwise honorably discharged or otherwise honorably separated from the service entitling him to such benefits. "Veteran" does not include any person who was entitled to such benefits solely by reason of being ordered to report for induction under the Selective Training and Service Act of 1940, as amended.

(c) "Agency" means any department, agency, or independent establishment of the Federal Government or any corporation wholly owned by the United States.

(d) "Secretary" means the Secretary of the Interior.

SEC. 3 (a) The Secretary shall establish and maintain in the General Land Office a central inventory of all lands now owned and held or hereafter acquired by the United States for its use, including lands in its Territories and possessions, and, in his discretion, may include in such inventory any other lands, or any interests in lands, now held or hereafter acquired by the United States. The inventory shall also show the disposal which may be made of any of the lands or interests included therein.

(b) Any agency authorized to acquire, accept, or hold title to or an interest in land in the name of the United States or of such agency, or which has federally owned land, other than public-domain land, under its jurisdiction or control, shall submit to the Secretary for recordation in the General Land Office the documents by which the title to or an interest in the lands covered by this section was acquired by an agency of the United States, or disposed of subsequent to the effective date of this Act, together with such other data, including a plat of the tract of land involved, as may be required. The General Land Office, after making a copy for its records by such methods as it deems feasible, shall return the original documents, except any plat that may have been required, to the agency submitting them with an appropriate notation thereon showing that they have been recorded by the General Land Office.

(c) All provisions of law relating to the custody, use, and effect of records of the General Land Office, including the Act of August 24, 1912 (37 Stat. 497, 5 U. S. C. 488-492), shall apply to records made under the authority of this section. Authenticated copies of any such record certified as being a true copy of the document from which such record was made shall be admissible in evidence equally with the original of such document.

SEC. 4 (a) It shall be the duty of the head of every agency to make an annual survey of property which is under the jurisdiction of the agency to determine if any part of the property is not needed by the agency for the efficient performance of its functions. If he finds that any such property is unnecessary for such purpose, he shall report his findings to the Secretary, together with a description of the property which is not needed by the agency, for transmission to the President. If the President concurs in the finding, he shall thereupon transfer jurisdiction over such property to the Secretary who shall administer the property in accordance with the provisions of this Act. The President shall also transfer to the Secretary jurisdiction over any property not reported to him but which he finds to be in excess of the needs of the agency having jurisdiction over the property. Property transferred to the Secretary under this section is hereinafter referred to as "declared property."

(b) This section shall not apply to any property which has been specifically set aside by Acts of Congress for specific purposes, or which is held by a credit agency in the course of its lending operations, or which is held by any agency or person under subdivision (b) of section 5 of the Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended.



SEC. 5. As soon as practicable after the transfer of declared property to the Secretary is effected, he shall determine the uses to which the property may be put and shall classify such property according to its proper use. He may revise the classification from time to time.

SEC. 6. In disposing of declared property, the Secretary shall first ascertain if the property is needed by any agency for the performance of its functions and, if so, shall, upon the request of such agency, transfer the property to the agency, specifying in the order of transfer the use to which the property shall be devoted. The property shall thereupon become subject to all provision of law relating to other property held by that agency which is devoted to a similar use. If the property is not requested by any agency, it shall nevertheless be retained in Government ownership if the Secretary determines, on the basis of the prospective needs of the Government for the property, the character of the property, its location, and other pertinent factors, that such retention is desirable. The Secretary may provide for the use, management, and operation of such property, by lease or otherwise, in such manner as will, in his judgment, properly conserve it while it is retained in Government ownership.

SEC. 7 (a) Property which it has been determined should not be retained in Government ownership shall be denominated "surplus property" and shall be subject to disposition in accordance with the provisions of this Act. Subject to other requirements of this section being met, such property shall so far as possible be disposed of to persons who can most efficiently utilize the property, and it shall be disposed of in such manner as will tend to prevent land speculation or absentee ownership and tenancy in land and will promote the national welfare. Preference and priority in the acquisition of surplus property shall be given wherever possible to States, counties, municipalities, other public bodies, and cooperatives. The determination of the Secretary in these respects shall be final.

(b) Before disposing of any surplus property, the Secretary shall appraise the property and determine its fair market value. The property may then be sold at public sale or by negotiated sale, whichever method is determined by the Secretary to be most in the public interest. If the property is to be sold at public sale, the Secretary shall give public notice thereof at least 90 days prior to the date of sale. He shall sell the property upon such terms as he deems most in the public interest to the highest bidder who equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the principles outlined in subsection (2). If the property is to be sold by negotiation, the Secretary shall, upon the conclusion of the negotiations, give public notice for 90 days of the terms of the proposed sale. The notice shall state that during such period, protests against the sale may be made to the Secretary. At the end of the period the Secretary may approve or disapprove of the sale.

(c) Pending any sale, or if a sale cannot be made on satisfactory terms, the Secretary may provide for the use, management, and operation of the property, by lease or otherwise, in such manner as will, in his judgment, properly conserve it.

(d) Notwithstanding the provisions of subsections (2) and (b) of this section, if the property to be sold or leased was acquired by the United States from a private owner and is to be sold or leased in the identical tract and in substantially unchanged condition as when acquired from such owner, the property shall be resold or leased to the former owner if within a reasonable time to be prescribed by the Secretary, he matches the best price offered for the property. In offering such property for disposition, the Secretary shall give such notice thereof to the former owner as he determines to be practicable.

(e) In disposing of any property in any way under this section or section 8, the Secretary may effect the conveyance thereof and shall reserve to the United States all oil, gas, and other mineral deposits in the property; such reservation of minerals shall be expressly stated in the instrument of conveyance.

SEC. 8 (a) For a period of fifteen years following the effective date of this Act, whenever any surplus property classified by the Secretary as suitable for agricultural, residential, or small business purposes is to be disposed of, veterans shall be granted a preference in the purchase of such property over nonveterans, including former owners of such property. The Secretary shall determine the units in which the property is to be disposed of, giving due consideration to the character of the property and the economic use to which it is to be put. He shall then determine the fair market value of each unit. Before any such property is offered for sale under section 7, either by public sale or by negotiated sale, any veteran may apply for the purchase of any or all units offered for sale at the price established by the Secretary. The Secretary shall prescribe the time within which application shall be made and shall give such notice thereof as he deems reasonable.

to enable veterans to exercise their rights under this section. The Secretary shall select the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this section if he has previously exercised his preference right and has purchased property pursuant thereto. Sales to veterans under this section shall be upon such terms as the Secretary may prescribe. If no sale of property to a veteran is effected under this section, the property shall be disposed of as provided in section 7.

(b) If any property covered by this section is not sold but is to be leased as provided in subsection (c) of section 7, the Secretary shall give veterans who are able to comply with the terms of the lease preference over nonveterans, including former owners of such property.

(c) During the period that this section is in effect, the preference right to purchase accorded to each veteran may, if not previously exercised, be exercised upon his death by his spouse or by his direct lineal heirs, to whomever it may pass by descent or devise under the law of the State of domicile of the deceased veteran. The same preference right shall also be extended to the spouse or direct lineal heirs of any person who, except for his death while in active service, would qualify as a veteran under the provisions of this Act. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Secretary, in order to prevent the loss of such right by the holder thereof.

SEC. 9. In order to advise the Secretary on general policy as to the disposal of surplus property, there is hereby created a Surplus Property Advisory Board. The Board shall consist of one representative each from the Department of Agriculture, Department of Commerce, Department of the Interior, Department of the Navy, Department of the Treasury, and Department of War, to be designated by the head of the respective agency, and six members appointed by the Secretary from the public. The latter shall serve without compensation but shall receive a per diem of \$10 when actually engaged in the performance of their duties under this section, and shall be allowed necessary traveling expenses. The Secretary shall consult with the Board, and the Board shall advise him, on general policies to govern the disposal of surplus property.

SEC. 10 (a). Upon the sale of any surplus property under this Act, the property may be taxed to the purchaser by the State or any local public taxing unit in which the property is located upon the purchaser's taking possession thereof even though title thereto has not yet passed to the purchaser. The United States shall not be liable in any way for any tax which may be imposed on the property, and in the event all interests in the property revert to the United States prior to the passage of title, any lien on such property for unpaid taxes shall be extinguished.

(b) In the case of surplus property which is leased or declared property which the Secretary determines should be retained in Government ownership, the Secretary may enter into agreements with States or local public taxing units in which such property is located for payments by the United States to such States or taxing units for public services rendered by them to the property. The agreements shall not provide for payments beyond the end of the five-year period following the effective date of this Act and shall take into consideration any other compensation or other benefits derived from such property by such States or public taxing units. The Secretary shall make a study of declared property retained in Government ownership to ascertain what effect its retention in Government ownership will have upon the revenue structures of the State and public taxing units in which the property is located. Before the termination of the five-year period referred to, he shall recommend to the Congress appropriate legislation for making contributions to such States and taxing units in order to compensate them for tax losses which are occasioned by the Federal ownership of the property and for which no other compensation is made.

SEC. 11. Where property disposed of under this Act was acquired by the use of funds appropriated from the general fund of the Treasury and such appropriated funds are not by law reimbursable from assessment, tax, or other revenue, all proceeds derived from the disposition of such property under this Act shall be deposited and covered into the Treasury as miscellaneous receipts. Where property disposed of under this Act was acquired by the use of funds other than those appropriated from the general fund of the Treasury or by the use of funds appropriated from the general fund of the Treasury which are by law reimbursable from assessment, tax, or other revenue, an amount equal to the expenses incurred



in respect of such disposition shall be deducted from the proceeds, if any, and shall be deposited and covered into the Treasury as miscellaneous receipts, and the balance of the proceeds, if any, credited to the reimbursable fund or appropriation.

SEC. 12. The Secretary shall, not later than the January 1 following the end of each fiscal year, submit to the Congress a report on his activities under the provisions of this Act for that fiscal year. The report shall show by States the total area of land under the jurisdiction of each agency, the total area acquired and disposed of during the fiscal year, and other related data, together with a statement of the authority under which such acquisitions and disposals were made, and, in the case of transfers of property from one agency to another under this Act, the utilization to be made of the property by the receiving agency. Any other law to the contrary notwithstanding, no agency need submit a report to the Congress with respect to any lands or interests therein included in the inventory authorized by section 2 of this Act after the first report shall have been made under this section. The reports made hereunder shall also contain any recommendations for legislation or other action which the Secretary believes will facilitate the operation of this Act.

SEC. 13. With respect to declared property, such as office buildings, determined by the Secretary to be suitable for occupancy by agencies, the Commissioner of Public Buildings shall exercise all functions conferred upon him by the Act of August 27, 1935 (49 Stat. 885), as amended, with respect to the assignment and reassignment of space in, and the repair, alteration, operation, and maintenance of such property, including the collection of rent therefrom. So much of the remainder of that Act as is inconsistent with the provisions of this Act, and all other Acts or parts of Acts inconsistent with the provisions of this Act, are hereby repealed.

SEC. 14. The Secretary may perform such acts and adopt such rules and regulations as are reasonably necessary for the effectuation of the provisions of this Act.

Secretary WICKARD. May I say that I am not familiar with this bill you refer to, but, perhaps, the drafters have in mind the reclamation projects which the Department of the Interior, of course, is interested in, and they have in mind that a lot of these projects will not be ready for agricultural use until 5, 10, or 15 years later, and in those cases they would like to give the veterans preference and would like to have a 15-year limitation. If you are speaking of that question, the answer would be a little bit different than the one to this question about land which is ready for cultivation as quickly as the Government disposes of it.

Mr. RANDOLPH. Veterans must be given every help but we must guard against anyone imposing high land prices on this group.

Mr. HOPE. Mr. Chairman, I would like to ask the Secretary of Agriculture a question. Mr. Secretary, you speak here about giving the veterans second, and former owners first preference in the acquisition of land which is suitable for agricultural purposes. Do you have in mind throwing that open to all war veterans, or would you limit it to war veterans who had come from farms originally, who had had previous agriculture experience?

Secretary WICKARD. I referred here to the Bankhead-Jones farm tenancy program, and naturally, as you know, the local committees are to take into consideration the experience of the person who is seeking to acquire this land, whether he has had previous experience in farming. I certainly would want to give preference to the boys who had had previous agricultural experience, and I think the boys who had lived in the neighborhood of the land ought to have some preference.

Mr. HOPE. In other words, would you want to just throw it open to veterans indiscriminately, including those who might have lived in the city all of their lives, who simply had an idea that they wanted to get out on a farm, and who knew nothing about farm life?



Secretary WICKARD. I think it is an injustice to any veteran to put him on land until he knows whether he would like to farm, until he knows something about the hardships of farming, and that is the reason why I would like to have these local committees have the same opportunities they have had before in selecting boys who have had farm experience and who they think will make a success of farming.

Mr. HOPE. Then if the committee were to put language in the bill which would grant a preference to the veterans you think it should also include preference to veterans who are familiar with farming, and who have lived on a farm, and who have had experience in agriculture?

Secretary WICKARD. I think it is only fair to the veterans themselves to do that.

Mr. COCHRAN. Will the gentleman yield?

Mr. HOPE. Yes.

Mr. COCHRAN. Right on that point, after the last, war it so happend that after the boys received their adjusted-compensation checks, a tremendous number of them from St. Louis who had never had any farm experience in their lives thought they could make a fine living and a lot of money by opening up poultry farms short distances from St. Louis. They opened them up, but it was not long until they were closed up, and they were back again in the cities.

I think your point there, Mr. Secretary, about men who have not had any farm experience is well taken, and that it will be a protection to a lot of veterans who might think they would like to go out into the country and farm. A man going onto a farm who knows nothing about farming would be just like a man going into a tool shop to make tools who had never had any experience in that field before and it is a protection to the veterans.

Secretary WICKARD. I think too many of them have the idea that farming is a free, easy life, especially those people that never had occasion to go out at 4 o'clock in the morning and work until 8 or 9 o'clock at night completing the chores. As you say, it would be an injustice to encourage those boys to undertake a farm project in which they have had no previous experience, because the disillusion would come later, and they would lose their entire investment.

Mr. COCHRAN. I just mentioned the poultry business. They went out by the hundreds to go into it.

Secretary WICKARD. We want to avoid the possibility of having those returning veterans come under the influence of people who would like to get them into projects of that kind without them knowing something about the hardships of farming and what is involved in farming.

Mr. HOPE. There were a great many cases of that kind after the last war, and I agree with what Mr. Cochran says and with what you say, that we want to take every possible precaution to avoid that thing happening at this time, because you could not do the war veteran any greater injustice than to get him out on a farm and leave him stranded there because of his lack of experience in farming, and yet there is a tendency right now to say, "Let us give these veterans a chance to go on the farm," when they have not thought the thing through. I think there is a lot of public sentiment right now that would support a move to put veterans on farms even though they have had no experience in operating them.

Mr. WHITTINGTON. Do you not think that influenced Congress in putting into the G. I. bill a provision to aid veterans to go into business, as well as to buy farms, because it recognized that you would do them an injustice to induce them to go into farming rather than going into some kind of business when they knew nothing about farming?

Mr. HOPE. I think we made a mistake in the G. I. bill in making loans available to veterans indiscriminately for the purchase of land, and that that mistake may be remedied by wise administration of the act.

Mr. WHITTINGTON. That was not my question, but on the other feature of the bill with reference to offering them loans to go into business. I agree with you about the agricultural provision.

Mr. HOPE. Yes; the loan is available for either agricultural or business purposes, but unless that is managed very wisely I think we are going to have a lot of veterans stranded out on poultry farms again just like we did after the last war.

Mr. ZIMMERMAN. In the testimony of Mr. Clayton yesterday he stated that he would put out regulations governing the sale of lands, in other words through agencies disposing of the lands. Now, it seems to me that unless we write into this bill something along the lines suggested by Mr. Hope that veterans who had come from farms, and who had sufficient experience in farming be given a chance to buy land, then, of course, it would be up to the Administrator to put in regulations and requirements along that line, and if he does not do that we will again have the situation which you gentlemen have very clearly brought out here, of a lot of veterans who have no business farming buying farms.

Secretary WICKARD. These things we are talking about are a little bit contrary to the view of selling this land for all you can get for it because these veterans might not be able to pay as much as other people could pay for it, and I do not think they should be charged as much as other people, especially with the prospective land boom that is getting under way. Your point brings out some of the things I can see are very important here as far as the general policy is concerned.

The CHAIRMAN. Mr. Secretary, since there are only 7,500 of these farms it would not make much difference anyway, would it?

Secretary WICKARD. But when we consider selling this land at the high prices of the present time we ought to keep in mind that the period after the last war was when the land boom that we had really got under way. At this time we have already a 42 percent increase in land, and there is a chance that the prices will pick up momentum later. If the Government by its own action accelerates that boom, I think the Government will have to pay out a lot of money at some time or other to justify these prices, and the Government will also have to do as they did after the last war, they will have to take care of the financial situation in this country.

We had banks closed, we had mortgages foreclosed, and we had to help out all kinds of institutions as well as private people because they paid too much for this land. It not only affected the owners of the land, but everybody in the whole community, because people had paid too much for the land.

The CHAIRMAN. Have you recommended to any committees of the House or the Senate the payment of demobilization insurance or unemployment insurance to farm labor? That would take care of the situation. They are war workers; are they not?

Secretary WICKARD. I have not thought of that proposal.

Mr. GOSSETT. You said there were only 7,500 of these farms. I assume you got that from the Secretary's testimony. Mr. Secretary, as a matter of fact, do you have any figures on just how many farms, I mean farming units were acquired by the Government incident to this war program, or is that simply an estimate that you made?

Secretary WICKARD. The only way I got that figure was that there were about 7,000,000 acres of land which had been acquired for war purposes.

Mr. GOSSETT. How many acres?

Secretary WICKARD. Seven million acres, which we think could be used properly for farming and ranching. Now, if you divide it up into 80-acre plots, of course, that comes out some place near the answer I gave, which is merely an estimate.

Mr. GOSSETT. Your arithmetic is a little confused, Mr. Secretary. If you have 7,000,000 acres of land it would run to a lot more than 7,500 farms.

Secretary WICKARD. Maybe my arithmetic is bad.

The CHAIRMAN. I was using the figure that 2,500 former owners would acquire land and 7,500 veterans. Of course, some of this land is like the land in west Texas, and it takes more than 40 acres to make a living on it.

Mr. GOSSETT. 5,000,000 acres would make 10,000 farms of 500 acres each.

Secretary WICKARD. Yes; I think my arithmetic is not too good. I was doing a little mental calculation. I think you are right. Some of these farm tracts could be made into poultry farms which would not require as much land, and others consisting of ranch land would be much larger, so I do not know what the average size would be.

Mr. CHURCH. Mr. Secretary, in yesterday's hearings, I asked Mr. Clayton to put into the record the formula or the regulations that had to do with the liquidation of the Sangamon County, Ill., Illiopolis acres. I wonder if you would not be kind enough to look at the record and put into the record your statement as to any recommendations you might have with reference to the regulations governing the liquidation of that farm land? Are you familiar with that problem of 3,600 acres in Sangamon County, Ill.? I understand that Senator Lucas has introduced a bill on that very matter. This committee will be concerned with that problem in this bill, naturally, of how the farmer and others are to be treated in the redistribution of this land. I want you to familiarize yourself with that testimony of yesterday and then put in your statement any suggestions you have with reference to the Illiopolis, Sangamon County, Ill., distribution of those acres as far as your Department is concerned. You are not familiar with that?

Secretary WICKARD. I am not familiar with it, and I am not prepared to discuss it.

Mr. CHURCH. You are familiar with the fact that a lot of farms were taken by the Government when that undertaking was started?

Secretary WICKARD. Yes, sir; I am. I received some communications from people in Illinois protesting the way it was going to be handled, or something of that kind, but I do not know the details at all as to how it was acquired, or what kind of condition it was in. I have been told that as to quite a little of the land buildings have been partly destroyed and some of the fences, gates, and things of that



kind are gone, and the land has been rented out for cash rent, I believe, for a couple of years and has not been taken care of as it should have been because the tenant was trying to get all he could from the land.

Mr. CHURCH. Perhaps Mr. Clayton's complete statement is not in the record yet. He is to put it in on that point. I hope you will look at it, and with the permission of the committee I would like to have Secretary Wickard's statement on that matter.

The CHAIRMAN. Is not this testimony to go to the printer tomorrow?

Mr. CHURCH. Is Mr. Clayton's statement here yet?

The CHAIRMAN. It is not here. We are sending it down today to be corrected. That will not give the Secretary an opportunity to see what he said on that, and we want this to go to the printer tomorrow.

Mr. CHURCH. I would ask that the Secretary of Agriculture get the benefit of Mr. Clayton's statement today, if he can.

The CHAIRMAN. The statement is here; he can read it.

Mr. CHURCH. I would like to have the Secretary's comment on that. I think that is beneficial to this committee.

Mr. COCHRAN. Mr. Clayton did say that he appointed appraisers, and they appraised this land. In some instances the appraisal was higher than the price paid by the Government, and in others it was below that price. I think in one instance he said it was \$34 an acre below, and in another I think he said it was \$25 an acre above, but that was the policy they were following on this farm land which they were going to dispose of.

Secretary WICKARD. Were they going to sell it at the appraised value?

Mr. COCHRAN. They were going to have it appraised so that they could reach some decision as to price. That was the thought that I understood Mr. Clayton expressed.

Mr. CHURCH. Except this, Mr. Clayton indicated that the sale of that land was under regulations prepared in his office. I asked for a copy of the regulations to be filed with the committee. I am anxious that the Secretary of Agriculture read those and that we have his further comment with reference to those regulations that Mr. Clayton used under the President's order. He would undoubtedly try to follow the similar regulations in similar cases if this bill is passed.

Mr. WOLVERTON. Mr. Secretary, I am in accord with the statement that was made by Mr. Colmer, in which he expressed general approval of the statement you have made here today and the views you have expressed.

However, there are some particulars in your prepared statement which you read to the committee that I would like the opportunity to ask a few questions on.

Secretary WICKARD. Yes, sir.

Mr. WOLVERTON. Before doing that, however, I want to make reference to the emphasis that you placed upon the advisability of turning surplus property over to the Department of Agriculture for general uses in its several activities. May I call your attention to the fact that section 10, clauses (a) and (b) of the act which is before this

committee would seem to have contemplated that very thing. It reads:

(a) The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

Now, it seems to me that that states in general language in about as plain a way as you could state it, a policy that would carry out that which you seem to have in mind.

Secretary WICKARD. Yes, I do not think there is much difference at all between what you have read and the policy.

Mr. WOLVERTON. I wanted to point out to you that the bill does seem to provide for that in a very satisfactory way.

Secretary WICKARD. I was just trying to facilitate that. I did not know whether Congress wanted to make appropriations for it or acquire it under present appropriations, but I do see the advantage of transferring it without throwing it out in the open market and then have the acquiring agency have to go out and purchase other equipment.

Mr. WOLVERTON. Now, with reference to the subject which Mr. Colmer referred to as a delicate subject, namely, your presence on the Board, I have no hesitancy whatever in expressing my personal opinion. I see no reason whatever why the Secretary of Agriculture should not be on the Advisory Board, but on the contrary I can see many reasons why he should be.

When I look over the list of those who are on the Advisory Board, and without going into each of them in detail, and without making any unpleasant comparisons, which I do not have in mind, but I merely refer to him, because he is the first individual named, it is much easier for me to favor the presence of the Secretary of Agriculture, or I see more reason for his presence on the Board, than the Secretary of State because of the policies that are outlined in this particular bill. For instance, under section 12, which is headed, "Policies Governing Disposition," there are enumerated some seven or eight or more objectives that are spoken of as policies. Now, first, "(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use."

Certainly your Department of Agriculture is interested in that particular policy, and then again, just skipping through it, in clause (c) we find:

To afford returning veterans an opportunity to establish themselves as proprietors of agricultural and business enterprises.

Certainly it seems to me that the Secretary of Agriculture would be in a position to be of value in determining the application of that policy.

And then, in (d), "to afford smaller business concerns and agricultural enterprises generally an opportunity to acquire surplus property"—which, again, comes particularly under the supervision of jurisdiction, at least, or interest, of the Secretary of Agriculture.

Then, in (e) a further policy is "to afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property." Well, real property certainly includes farms in which you are intensely interested, as your testimony here this morning indicates.

So it seems to me there are abundant reasons why the Secretary of Agriculture should be on this Advisory Board. And while I can readily realize why the War Food Administrator might just as properly be on that board yet his jurisdiction and the scope of his duties, in my opinion, do not cover as much as that of the Secretary of Agriculture, and I would feel it would be very proper to include the Secretary of Agriculture on that Advisory Board.

Mr. RANDOLPH. Mr. Wolverton, would you yield to me at that point?

Mr. WOLVERTON. Yes.

Mr. RANDOLPH. I do not want to break Mr. Wolverton's continuity of comment, but I desire to make it clear that when I brought up the subject of the Secretary of Agriculture being on the Advisory Board, as is provided for in the draft of the aforementioned proposal, that I personally believe, as do you, that it is highly important that he be a member of the Board. I reaffirm what you have said on this subject.

Mr. WOLVERTON. Why I took the time to emphasize these provisions in the bill is to indicate it is not just a question of personalities, but it is a question that is fundamental in the administration of this bill, in my opinion.

Mr. HOPE. Would you yield to me for an observation in that particular?

Mr. WOLVERTON. Yes.

Mr. HOPE. The suggestion is made in the Secretary's prepared statement that there are a large number of plants which have been erected during the war for processing agricultural products, and undoubtedly some of those plants will not be needed after the war. But some of them probably will be and it is emphasized in his statement that whether or not some of them are kept, or whether they are all dismantled, or turned over to other uses, it is going to have a considerable effect on agricultural marketing and distributing after the war. That is the point you had in mind, I am sure.

Secretary WICKARD. Yes, sir.

Mr. HOPE. Now it seems to me that offers an additional reason why the Secretary of Agriculture should be a member on this Board—that we have these plants which, if they are dismantled, or retained, or converted into something else, will undoubtedly affect agricultural distribution and marketing to a considerable extent. And it seems to me while it is entirely proper to have the War Food Administrator on that Board, because he does have direct control of a considerable amount of surplus agricultural property, that in the matter of determining long-time policies the Secretary of Agriculture should also sit on that Board.



Mr. WOLVERTON. I am in accord with what you have just stated.

Mr. ZIMMERMAN. I likewise wish to express my approval of placing the Secretary on the Board. What I said a while ago would require the explanation, probably, that the War Food Administrator was included, and not the Secretary.

Mr. WOLVERTON. Not being a farmer myself, I feel very much encouraged to have the support of these two very eminent farmers, who have such an intimate knowledge of the farm situation.

Now taking up the statement that you read: Basically, generally speaking—having in mind there may be some exceptions—I am in favor of private enterprise as contrasted to Government enterprise in production. Therefore, when I heard you read your statement, in which you said—

there are certain industrial plants capable of conversion to agricultural uses, the disposition of which should reflect that possibility. For instance, the Department of Agriculture already has recommended that 40 percent of our wartime synthetic nitrogen plant capacity be converted to the production of nitrogen fertilizer—

I am not disagreeing with the statement you make as to the necessity of the conversion, but the statement did not make clear to me just whether you meant Government-operated fertilizer plants, or private.

Secretary WICKARD. I would prefer, of course, private enterprise operation of all the facilities. I think in the statement referred to—I am not sure whether it makes reference to that, or not, but it is implied.

Of course, there may be some of those plants which private industry would not want to operate, because there would not be enough demand and in that case, unless they are kept in stand-by condition, they would have to be Government operated.

In my opinion, the nitrogen plants, as well as all other facilities that private industry can operate, they should be given the opportunity to operate them.

Mr. WOLVERTON. If private enterprise can produce all the fertilizer that is necessary, do you see any reason for the Government to do so?

Secretary WICKARD. No, sir.

Mr. WOLVERTON. Well, we are in accord on several things.

Is it your opinion that the principle of family-sized farms, which you have expounded here this morning, should be written into the bill; or do you feel it would handicap the sale of the property under some circumstances and therefore should be left to the discretion of the Administrator?

Secretary WICKARD. Again I want to raise this question of the principle involved. If you permit this land to be acquired, even if divided into family-size units, by anyone in any amount, then I would say we are getting away from the objective I have named in this paper. Now it seems to me the Congress ought to be explicit and say it wants these lands, as far as practicable, to go into the hands of people who intend to live on them and operate them. And if you do that, you will perhaps not get the "high dollar" for them.

Now I think the Administrator, or whoever is going to be the person responsible for the policy, should know from Congress what Congress thinks he ought to do. Should he get the most money, or should he sometimes forego getting the most money in order to get the land into

the hands of those people who will live on these farms and operate them?

Mr. WOLVERTON. I am glad to hear you express the idea that the welfare of this Nation is strengthened and improved by family-sized farms rather than by large farms distantly owned, or in absentee landlordism, and so forth. I expressed that opinion yesterday to Mr. Clayton. Mr. Clayton read to this committee several of the regulations he has adopted in the administration of the directive order under which he is acting, and they were very excellent and seemed to carry out the thought that we had, or maybe I had, in mind. It was a question, however, in my opinion, as to whether those recommendations, or regulations, should not be written into the bill as a fixed policy of the bill. I assure you I would feel much more comfortable if they were written into the bill as standards, rather than leave it to the judgment of an individual who may not be holding the office at some future day and it might be in the hands of another who may not have those same standards in mind.

Now, in one respect, you and Mr. Clayton seem to differ. Mr. Clayton seemed to be of the opinion there was a responsibility upon him to get the high dollar for anything that was to be sold. You have pointed out a situation here today with respect to a land boom, or an inflation that you are fearful may grow in proportion and, if it does, it might preclude the carrying out of the policy you have in mind. I think you have done well in pointing out that to the committee and I think it leaves it up to the committee to decide whether the principles you have referred to should be written into the bill, or the principle of getting the high dollar.

Secretary WICKARD. May I make one remark as to the regulations to which you refer, which Mr. Clayton referred to yesterday. As I read those regulations—and I may be in error, but as I read them—it does not prohibit anybody from acquiring several of those units and again combining them without giving any promise of living on or operating them himself.

Now I think there is a fundamental difference between my viewpoint and that outlined in the regulations, as I read them.

So I again think I agree with you that Congress ought to be explicit in this matter; because Mr. Clayton, I think, ought to know what the policy of Congress is as to the problem you just raised—whether we should try to get all we can get for this land, or whether we should try to attain certain objectives which have been stated in this bill, as related to the retention of those lands in the hands of people who are going to live on them and operate them.

Mr. WOLVERTON. Whether we have correctly interpreted the regulations in this respect as outlined by Mr. Clayton, or not, I agree with the statement which you have made as to the principle that should be uppermost, and I am definitely of the opinion that it would improve the legislation if standards of that character were written into them.

Mr. McCONNELL. Suppose we imagine a section where small family-size farms would be offered to the public and there were no bidders—just imagine such a situation. Would you write restriction in the bill in such a way that you could not sell to a man who had a large farm at that time, or even to a speculator? There was a similar question concerning business transactions asked Mr. Clayton yesterday, and

the reason he did not want to write too specific regulations was the danger that he would be bound to certain propositions that could not be fulfilled.

He said, for instance, suppose we made an offering to regular business channels and there were no buyers, then he would have to offer it to speculators, and he would not want to be bound by a regulation which said he could not do so.

Secretary WICKARD. Did he express the fear no one would want to buy this land if it was priced at a reasonable price and on reasonable terms?

Mr. McCONNELL. No. He was speaking at that time of selling business commodities.

Secretary WICKARD. That is a whole lot different. I am not getting into a discussion of how to dispose of business properties, so far as terms are concerned; I only refer to the question of disposing of farm lands.

Mr. McCONNELL. You feel there will be enough demand at all times?

Secretary WICKARD. I am positive there will be. There has never been a time that I know of, except during drought years, that land did not sell for what it was worth. People want homes and want a place to live where they feel they have some security.

Mr. McCONNELL. In other words, you feel it is safe enough to make definite regulations in this particular case?

Secretary WICKARD. I do, sir.

Mr. WHITTINGTON. Just this final question: Mr. Secretary, with respect to lands and real property, I believe it is fair to say the intent of this bill is to authorize the Administrator only to dispose of lands and buildings acquired for war purposes. And if that language is not clear and if the Administrator would be authorized, technically or otherwise, to dispose of any land under the supervision of the Department of Agriculture, or any real estate or other improvements on land of the Department of Agriculture—and that statement goes for any other Government agency—under the guise of disposing of land and properties acquired for war purposes, personally I would appreciate any clarifications which you or any other Government agency had to submit to us with respect to the disposal of lands; because I do not want to empower the Administrator to dispose of any lands generally, under this bill, except those acquired for war purposes.

Secretary WICKARD. Well I do not think there is any intention, so far as I know, of disposing of any land held by any agency to private people. As I understand it, everyone seems to be in agreement that the lands should be returned to the agencies which formerly owned them.

Mr. WHITTINGTON. I know that; but we have hundreds of millions of acres of land acquired by the Government, owned by the Government. We have forestry lands, grazing lands, and so forth.

Secretary WICKARD. Yes.

Mr. WHITTINGTON. I have in mind lands of the Home Owners' Loan Corporation, the credit land banks, and other lands acquired by agencies for their normal peacetime functions. Now under the guise of disposing of surplus lands, I do not want, through this agency, to dispose of those lands. For that reason, if you or any other Government



department has any limiting language, I would like to have it before we report this bill.

Mr. GOSSETT. In that connection, we have written into numerous War Department appropriation bills a date—I do not just remember the date, but some time in 1940—saying that no land or property acquired prior to a certain date shall be affected by these directives. That was called to my attention yesterday by a member of the Military Affairs Committee, who had the same apprehension you have; but we have written restrictive language into other legislation, that is, that it shall not affect property acquired prior to a certain date.

Mr. WHITTINGTON. Yes; I am aware of that.

Mr. GOSSETT. And we might do that here.

Secretary WICKARD. I think perhaps that would take care of the question.

The CHAIRMAN. If there are no further questions, I believe you said—

Mr. HOPE. I would like to ask one more question.

In your statement, you expressed the view that there should be a preference given to cooperative organizations, and you refer particularly to the rural electrification cooperatives, in purchasing war materials. Now in the bill, section 12, under the heading "Policies Governing Disposition" there are some statements which are intended, at least apparently, to grant something in the way of a preference along the line you have mentioned. For instance, under subsection (b) of section 12 it is stated—

to afford public, governmental, educational, charitable, and eleemosynary institutions and cooperative organizations an opportunity to fulfill their legitimate needs.

Now in that provision there are two in the same class with Government institutions, or public institutions—educational and charitable institutions.

Then down under subsection (d), one of the purposes is stated to be—

to afford smaller business concerns and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

My question is whether you think that language is sufficient to carry out the idea you have in mind, or whether you think there should be stronger and more specific language.

Secretary WICKARD. Again, it comes back to the thing I have raised several times. If you fulfill all of those objectives, carry out all of those policies, won't you be acting contrary to what seems to me is the idea which is expressed sometimes, at least, that we should get all we can get as quickly as we can get it for this property? I do not think you can do both.

Mr. HOPE. Of course, if you get down to subsection (h) of the same section, that objective is stated in this way:

to realize the highest obtained return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

Of course, I realize all of this leaves a considerable amount of discretion with the Administrator, and I just wonder if you think that language is sufficient, or if you think it should be more specific?

Secretary WICKARD. I should like to see it made more definite, if possible, so that the Administrator, as I said, should know exactly what Congress wants and, if he has to choose between obtaining the highest return for the Government, or some other objective, that he might have some idea as to what Congress wanted him to do.

I do not know. I think that those objectives are ones with which I am in total agreement as they are stated; but I am not sure there won't be opportunities or won't be places, at least, where it is going to be pretty hard for anyone to be specific as to what organization should be taken care of, as to what should be done.

Mr. WHITTINGTON. I wonder. It certainly would cut out the farmers generally, and that would include you, Mr. Zimmerman, and myself.

The CHAIRMAN. What I was thinking about was if we give priority to cooperatives, a large number of farmers in the United States do not belong to cooperatives, and you would be cutting them out of the surplus market.

Secretary WICKARD. Well, I do not believe the farmers would be in any position—that a single farmer would be in any position—to take over facilities. I was thinking there about cooperatives, and perhaps it should be made more explicit. I refer to the operation of facilities, in acquiring equipment, rather than tools which the individual farmers may need. I feel that program is working out splendidly at the present time.

The CHAIRMAN. What you mean is dehydrating plants?

Secretary WICKARD. Yes, I mean dehydrating plants. The most of those dehydrating plants, the milk-dehydrating plants particularly, are operated now by cooperatives, and I think under their present plan of amortization, and so on, these cooperatives will have a chance to acquire them. If they did not, there might be some cooperative set-up which would be interested in acquiring them. I think that policy should be carried out—and I think it would be in the interest of the farmers—through cooperatives.

The CHAIRMAN. I might state, Mr. Secretary, that the full committee is unanimously of the opinion to place you on this board.

Secretary WICKARD. I appreciate that; but I do hope, if I am to be on the Board, that I know, as I have said, what the Congress wishes to be done in some of these illustrations and problems I have talked about this morning.

Mr. WHITTINGTON. The Secretary has been very helpful in his statement.

The CHAIRMAN. I believe you said a few moments ago there was a representative here of the War Food Administration who would like to be heard and, if there are no further questions of you and you have no further statement, we will be glad to hear him. We appreciate your coming and giving us a very informative statement.

Secretary WICKARD. Mr. Stambaugh is here to talk about how we are disposing of trucks and plan to dispose of tractors direct to farmers, at the present time.

The CHAIRMAN. We want one representative to give us all the information, because we have a full schedule this afternoon.

Secretary WICKARD. Colonel Olmsted, I believe, and Mr. Hutson, were going to come up and talk about food and other agricultural products.

**STATEMENT OF J. B. HUTSON, PRESIDENT, COMMODITY CREDIT CORPORATION, ACCOMPANIED BY ROBERT H. SHIELDS, SOLICITOR, DEPARTMENT OF AGRICULTURE, AND LT. COL. R. W. OLMSTEAD, DEPUTY DIRECTOR FOR SUPPLY, WAR FOOD ADMINISTRATION**

The CHAIRMAN. We have with us at this time Mr. J. B. Hutson, President of the Commodity Credit Corporation, and also Mr. Robert H. Shields, solicitor of the Department of Agriculture, and Colonel Olmstead, of the Office of Distribution, War Food Administration.

Mr. Hutson desires to make a statement for the benefit of the representatives from agricultural States.

We will be glad to have you proceed, Mr. Hutson.

Mr. HUTSON. Mr. Chairman, I have no prepared statement. Colonel Olmstead, Mr. Shields and I are here to answer any question that any members of the committee may want to ask us with respect to any of the matters with which you are concerned in connection with this proposed legislation.

The CHAIRMAN. I have in mind one or two questions. Have you read this bill, H. R. 5125?

Mr. HUTSON. Yes, I read it some time ago. I do not know whether it has been changed since I read it.

The CHAIRMAN. I have been disturbed over the question as to whether or not the Surplus Property Administrator would have authority, under the provisions of this bill, in section 7, after the war ends, to tell you that certain commodities which you hold are surplus. Section 7 provides:

Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have the power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency.

I have been disturbed over the question whether he could then, after the war is over, come to the Commodity Credit Corporation and tell you that the cotton, or wheat, or corn held by your Corporation is surplus. Of course, it is surplus, or it would not be there. My question was whether he could force you to sell that under the provisions of this bill. That language begins at line 21 on page 7 of the bill we have under consideration, H. R. 5125.

Mr. HUTSON. Mr. Chairman, if I may, I would like to have Mr. Shields answer that question.

The CHAIRMAN. We would be very glad to have Mr. Shields answer it.

Mr. SHIELDS. Mr. Chairman, I do not believe that under this section the Surplus War Property Administrator could do that; that is, could declare that the stocks of the Commodity Credit Corporation are surplus to the needs of that Corporation; but I do not think that the language is clear.



The reason I do not think he could do that is that the very purpose of the Commodity Credit Corporation is to hold surplus stocks for the purpose of sustaining food prices. While it is surplus in one sense, I do not think it is surplus to the needs of the agency, the purpose of which is to hold surplus stocks.

I have discussed this matter informally with the general counsel of the Surplus War Property Administration, and I think he is generally of that view. Although the language is not clear I think that would be a fair and sound construction of the language.

Mr. WHITTINGTON. In other words, the words "needs and responsibilities" would be limiting words?

Mr. SHIELDS. That is right. There will probably be no problem, except for that last sentence, because during the war, the owning agency itself declares whether it has any surplus. But with this last sentence in section 7 there is a problem.

The CHAIRMAN. We have had quite a lot of experience in connection with the intent of Congress being changed by regulation, and I would like to be clear as to whether that covers the intent of Congress.

Mr. SHIELDS. I do not think it is clear, but I think if you put all the applicable provisions together, you would get the answer as to what the intent is.

The CHAIRMAN. Do you not think, as a lawyer, that you can construe that language in almost any way you desire?

Mr. SHIELDS. I think I could make a very good case contrary to the views I have expressed.

The CHAIRMAN. That is also my view about it; I think that is true.

Mr. SHIELDS. I think it would be desirable to clarify that language so there will be no question about it. We shall probably have more surpluses in the Commodity Credit Corporation in the future.

The CHAIRMAN. Mr. Hutson, affecting the Commodity Credit Corporation, Congress from time to time passes legislation telling you when you can or cannot sell cotton, corn, and so forth, and in connection with the disposition of your surpluses, these surpluses you are holding now are not necessarily war surpluses, are they? You have been holding surpluses for years?

Mr. HUTSON. Our stocks are some less and have been some less each year during the war of the so-called storable commodities.

The CHAIRMAN. And under the legislation providing for your Corporation, the Corporation will have authority to dispose of your surpluses, unless restricted by congressional action.

Mr. HUTSON. That is right. The limitations placed upon us are that we cannot sell for less than parity, except when the commodity deteriorates, and except in the case of grain crops which are sold for feed, and there the action is taken in connection with small grain for feed, and in that case they are sold at corn parity.

That is a matter that has been discussed at some length by Congress, and we are certainly limited as to sales. I am not sure that it has been the intent of Congress to limit it to export sales. I do not know whether that has been considered as a separate item, but the act does prohibit us from selling for export at less than parity. There has been some question in reference to the authority given us by Congress to do that.

Mr. SHIELDS. I would like to say a word about the problem you raised, Mr. Chairman. The Commodity Credit Corporation cannot

sell farm commodities below parity except in certain cases, and if the War Food Administration is the disposal agency for food under this bill there is a question whether there are any limitations on the disposal of food by the War Food Administration as the disposal agency under this bill; in other words, whether the Commodity Credit restrictions would apply if it was selling as a disposal agency.

The CHAIRMAN. Do you mean by that commodities owned by the Commodity Credit Corporation, or commodities turned over to the Commodity Credit Corporation as surpluses to the War Food Administration?

Mr. SHIELDS. I mean the latter, Mr. Chairman. Say, when the war ends, some organization has some wheat or corn and it is declared surplus to the War Food Administration under this bill. Then, query, are the Commodity Credit restrictions on the disposal of these commodities applicable to the War Food Administration? I think the answer is "No." I think the limitations are technically applicable only to Commodity Credit stocks. However, it is a rather difficult question.

The CHAIRMAN. Have you any suggested amendment that would cure that difficulty?

Mr. SHIELDS. I think it is a question of policy as to whether surplus food under this bill, surplus food commodities, should be available for export at less than parity, or available for distribution for relief because of the nature of their source.

Right now, Commodity Credit stocks cannot be sold for export or for relief below parity. Under this bill, I think "surplus war stocks" could be.

The problems may be put this way: The War Food Administrator may find himself trying to comply with one mandate from Congress in connection with the sale of food acquired under one authority and a conflicting mandate from Congress with respect to the same food acquired under another authority.

Mr. WHITTINGTON. Could you leave with the committee any language which you think would perfect section 7, or any part of it?

Mr. SHIELDS. Yes, I will be glad to do that.

The CHAIRMAN. We also have present this morning Col. Ralph W. Olmstead, Deputy Director of the Office of Distribution, of the War Food Administration. What is your position, Colonel?

Colonel OLMSTEAD. I am Deputy Director of the Office of Distribution.

The CHAIRMAN. Do you have a statement you would like to make to the committee?

Colonel OLMSTEAD. A very brief one, Mr. Chairman, because the Office of Distribution has been working on the disposition of food items, more of the processed character, and the Steagall Act commodities in the past few months.

Our problem divides itself into two parts. The first is the necessity that has existed during the war to build up excessive reserves, and by that I mean excessive as related to peacetime conditions. That is true of the Office of Distribution and it is true of the Ministry of Food of Great Britain, and it is also true of the Free French in North Africa, looking at it in terms of post-war conditions.

It has been necessary, for example, to build up big stocks in the United Kingdom up to about four times the amount that would be

normally carried. That has been done because of the danger of submarine activity, the blitz, and the possibility of inflation.

At the end of the war there will be those stock piles still in reserve, of necessity, until the war is over, and when it is over the big problem that will confront the War Food Administration, or its successors in interest, is to dispose of those large stocks in an orderly way without breaking the supporting price.

If I may use a specific example, one commodity that has been prominent in the discussion has been dried eggs. As you know, there was some difficulty in the matter of price support on eggs this year because of the problems of supply. We are buying 1,850,000 pounds of dried eggs to be moved, and about 50,000,000 pounds are in inventory; that is, in the processing plants or in packing plants or export storage on our side.

In Great Britain you will find, roughly 6 months' stocks for distribution in the stocks of the Ministry of Food. If the war should terminate tomorrow, the day after tomorrow people in Britain will want shell eggs, and the problem becomes doubly difficult because the dried-egg production has been stepped up.

I think that point is important with respect to section 22 (b), in which it is provided that nothing in this act shall impair or affect the provisions of section 301 of the Second War Powers Act of 1942, and we take that to be a continuation of the authority and other various devices of international cooperation that the War Food Administration exercises at a central point; that is, the allocation authority with respect to food.

It would be highly desirable, in our opinion, that at the termination of the war, when the surplus problem becomes acute, some central agency of the Government shall be able to be sure that allocations are made in such fashion that there is no duplication of supplies from this country to foreign countries, because there are instances in the last war that I have heard about where a lot of supplies were shipped under a sort of hazy requirement and some of them were reshipped from the foreign country to the United States, where they tended to break prices, while the problem is the problem of keeping inventories clean, and in a supply job like that of the Office of Distribution, where it is handling half a million tons of food a month with a 2,000,000-ton inventory, it is not infrequent that a small lot of food, canned goods or dried milk, will be displaced. In cases where the bulk schedules do not measure up to expectations it is highly desirable that the stuff be sold quickly and sold while the country has a lot of purchasing power and desires to secure the commodity. Otherwise it becomes an accumulation where it might be a sizable factor.

To illustrate that I think it appropriate to say to the committee that in the last 3 months we have had an inventory-control committee in operation and they have examined each commodity in storage, and when it is determined that the food has been in storage long enough so that it is no longer desired, then it is determined that it be sold commercially.

Those sales have been something like \$15,000,000 in 3 months. That, I think, illustrates the point that if they were not made it would be easy at the end of war to come up with a surplus of maybe \$100,000,000 that should be avoided with careful management.

The CHAIRMAN. Do you have any suggestions to make for that?



Colonel OLMSTEAD. It is not clearly in my mind, Mr. Chairman, whether this proviso will do it.

The CHAIRMAN. You are referring to subsection (b) on page 22?

Colonel OLMSTEAD. Yes.

We think that will assure that an authority of the Government, any single authority of the Government, whether it be the War Food Administrator or whoever its successor may be, will have complete authority to govern the allocation of food by whatever agency is selected to dispose of it.

Had it not been for the price support problem I doubt that this would need be emphasized. I understand that Mr. Clayton has indicated by letter that all allocations shall be subject, that is, the distribution shall be by allocations of the War Food Administration and it may be that this proviso adequately guarantees it, but I just wanted to bring that to the attention of the committee as one important point to be considered.

The CHAIRMAN. The Second War Powers Act expires within 6 months after the termination of the war, does it not?

Colonel OLMSTEAD. Yes.

The CHAIRMAN. Does that create a problem?

Colonel OLMSTEAD. The Steagall Act expires 2 years after the termination of the war and I can assure you that it is not going to be easy to maintain these support prices if these surpluses exist.

The CHAIRMAN. That is the Second Price Control Act?

Colonel OLMSTEAD. I am referring to the obligation under the Steagall Act to support prices up to 90 percent of parity, and which was in the Price Control Act.

The CHAIRMAN. If that subsection were stricken from the bill, would that eliminate the difficulty or remedy the situation?

Colonel OLMSTEAD. No; I do not think the subsection should be stricken; I think it should be strengthened with respect to the allocation of authority in the disposal of food. That is the view of the War Food Administration.

The CHAIRMAN. Do you have an amendment prepared?

Mr. SHIELDS. I do not at the present time. We could suggest some language. As I see the problem the allocation power runs out as indicated, well before the bill runs out. While there is no assurance that the handling of the food surpluses all over the world would be geared to the problem of supporting food prices here, I think we might be able to suggest some sort of language which would provide for that matter.

The matter has been discussed with Mr. Clayton's people, and so long as the War Powers Act remains in effect we think the allocation power will take care of our problems, but when the Second War Powers Act expires the War Food Administrator may no longer make allocations, and consequently, F. E. A. might unwittingly sell food abroad in a manner which would have an adverse effect on our support price programs at home.

The CHAIRMAN. Would that apply if the foods were sold in foreign markets; would the Steagall Act apply there?

Colonel OLMSTEAD. There is an obligation to use an illustration, to support the price on hogs. About the only way that can be done is to drain off the surpluses from time to time.

Canned beef is a good example. There is a substantial stock—and I do not think it would be appropriate to indicate here the exact amount—but there is a substantial stock of canned pork in the United Kingdom and a substantial stock here which has been obtained for war uses. Now let us suppose that someone comes along, such as U. N. R. R. A., or somebody else, and says, here is a requirement for 50,000 tons of canned pork for relief for feeding people in Bulgaria, and they insist that this be bought, not through the coordinated allocation procedure, and suppose there is a surplus stock in the U. K. at the same time to meet that one requirement. That will tend to have a bad effect on the price levels here in the United States.

To illustrate that, Dr. Dorrance of Campbell Soup Co., told me that at the end of the last war—he had been selling soup to the Allies and also sold some to the French—and when the armistice came along he left some Campbell's soup in France and he was met with this problem: The French had met their requirements twice in the same year and they had no use for the soup and the soup eventually found its way into commercial channels by way of reexportation to the United States and over here it got into the hands of a Philadelphia broker, and he went to Dr. Dorrance and said, "Here I have a quantity of soup that I want to sell you." He had offered it at 50 cents on the dollar, as I recall. Dorrance said he had all the soup he could dispose of, but he had to buy it because if he did not the broker could dispose of it at a profit to someone else at 25 cents on the dollar, which would break the Campbell's soup market, and in turn the farmers who grow commodities which he puts into the soup.

The CHAIRMAN. We have a rather heavy demand from a lot of people to bring the trucks back from the foreign countries. Now if you bring all of those things, the canned soups, peas, beans, and so on, you will simply be breaking the farmers' backs by doing the same thing. What do you think about leaving them over in the foreign countries?

Colonel OLMSTEAD. I think it depends upon the need, Mr. Chairman. In the matter of food, where production is at a very high rate compared with normal usage, it does not seem very likely to me that the United States would need to bring the food back unless production fails completely. If production keeps up and you want to maintain the prices, which we are obligated to do by act of Congress, the surpluses have to be removed one way or another. There are only four ways to do it that we know of. One is to increase domestic consumption, and I am not so sanguine about that. Another is through export, either through international agreement or subsidy.

Another is through diversion into byproducts, which is limited by the physical problems involved. And, the fourth is through destruction, which is not looked upon with favor by anybody.

We found it necessary, as you will recall, to destroy some eggs, in a sense; they were diverted into animal feed. We have been very keenly criticized by everybody for that except the producers of eggs, as putting into effect a very bad measure.

If there is a surplus of 10 percent you have to take it off the market if you are going to keep the prices up.

Mr. WOLVERTON. With reference to your illustration of the Campbell Soup Co., could that condition exist at this time, or at the conclusion of this war, with this bill in effect?

Colonel OLMSTEAD. I could not so long as the Second War Powers Act is in effect, in my opinion, because the supplies of food to all the Allied Nations comes under review in terms of reallocation and requirements, needs, and so forth. But if the power to allocate is lost even to the extent that two independent agencies are both trying to sell in the same market, I think that condition could occur.

The CHAIRMAN. Could that situation be remedied by striking out the Second War Powers Act and giving you the authority given under the Second War Powers Act to go along with the life of the act?

Colonel OLMSTEAD. In my opinion that would be a very great help.

The CHAIRMAN. Would that not be the better way to approach it than to refer to the Second War Powers Act?

Colonel OLMSTEAD. Yes, in my opinion.

Mr. WHITTINGTON. Mr. Chairman, I suggest that the gentleman submit an amendment that he thinks would take care of it. We have got about all the troubles we need.

Colonel OLMSTEAD. Language has been drafted.

Mr. WHITTINGTON. I did not know it had.

Mr. WOLVERTON. May I ask you one further question?

Colonel OLMSTEAD. Yes.

Mr. WOLVERTON. When you made reference to the Steagall Act, were you referring to the Price Control Act?

Colonel OLMSTEAD. I mean the Steagall amendment.

Mr. SHIELDS. I might explain that is the act of July 1, 1941, as amended, extending the life of the Commodity Credit Corporation, which provides that the price of all agricultural commodities for which an expanded war production is needed should be supported at not less than 85 percent of parity—it is now 90 percent of parity—until 2 years after the war. It also directed the Department to support prices on agricultural commodities whether needed for war purposes or not, at a comparable level, insofar as money was available.

Mr. WOLVERTON. Having in mind the responsibility placed upon the Director in the disposal of surplus property, and the limitation to which you have just referred, to the restrictions under which they could be sold, would that not apply to him in the performance of his duty under this act; and if that is the case, does the question which you raise with respect to the second War Powers Act become as important as you have indicated it to be?

Mr. SHIELDS. As I see it, the problem of food disposal is different from anything else that you are discussing under this bill. So far as I know there is no other commodity as to which there is a statutory requirement that the price be at a certain level. However, the law does require that certain farm commodities be kept at 90 percent of parity until 2 years after the war. Therefore, what is done abroad in disposing of food vitally affects the obligation of the Government to keep up food prices here.

Mr. WOLVERTON. In a general way I thought that Mr. Clayton assured us that he would not permit sales of commodities abroad which would have a tendency to be returned to this country to break the market.

Mr. SHIELDS. There is no question but that Mr. Clayton has given this problem, which I think the Colonel is talking about, a lot of thought and is in general agreement with us that there should be



some one place controlling the disposal of all food. Under the Executive order, as Mr. Clayton points out, F. E. A. disposes of food abroad and War Food Administration disposes of food here.

So long as the war powers are available, F. E. A. cannot dispose of food abroad, under this bill, except pursuant to War Food Administration's allocations, and, therefore, during the war activities of the War Food Administration and the F. E. A. would be coordinated. But after the war is over, and the War Powers are not available, that coordination might not be found.

Mr. RANDOLPH. May I ask Colonel Olmsted a question?

Colonel OLMSTED. Yes.

Mr. RANDOLPH. Colonel Olmstead, what percentage of the problem of the disposition of surplus food would be solved if the European phase of the war were to stop at any certain time and the Pacific theater of war were to continue, we will say, for a year or two?

Colonel OLMSTEAD. I do not think any substantial percentage would be solved by that. If the European war terminates then immediately the stocks to which I have alluded, which have been built up for war purposes, cease to be as important. You do not have to have as much supplies in the one theater of operation—and I am not speaking of it in the military sense, but in the food-supply sense—as in two theaters of operation.

And, I am very hopeful that if the war terminates that European civilian relief requirements will absorb these stocks. I am not sure that it will.

Mr. RANDOLPH. That is why I asked the question, of what percentage of the supplies are surplus and would be the basis of operations there.

Colonel OLMSTEAD. If you look at the European requirements in terms of tonnage and look at the stocks in terms of tonnage, you might absorb those stocks, but what are you to do about production at 128 percent of normal, and will lend-lease continue to withdraw \$3,000,000,000 of food a year? I personally doubt it.

Mr. WOLVERTON. That is the question I was going to ask, whether the existence of lend-lease in the post-war period would have any bearing on the views you are expressing.

The CHAIRMAN. Of course, the occupied areas will start back into food production just as soon as they can get out from under the German yoke.

Colonel OLMSTEAD. And much more quickly, I believe, than is generally thought.

The CHAIRMAN. They would not likely need \$3,000,000,000 worth of food a year.

Colonel OLMSTEAD. Those people, where they live in agricultural productive areas, are certainly producing now.

The CHAIRMAN. And those people will not desire to have this surplus hanging over the heads of their farmers.

Colonel OLMSTEAD. That is right.

The CHAIRMAN. Any further questions?

Mr. WOLVERTON. Mr. Chairman, I agree with the thought that has been expressed, and I think language embodying the suggestions ought to be submitted, because I think that is very important.

The CHAIRMAN. Any further questions?

Mr. WHITTINGTON. Mr. Chairman, before we recess, I think it will be well to have a statement in the record, for the benefit of the members of the committee, showing that the Administrator stated on yesterday, when asked with reference to normal surpluses and war surpluses, that his understanding was that the Director of the Budget intended to submit shortly a bill for the consideration of the committee for handling normal, ordinary surpluses, and administrative property, personal property, and I am sure that the Administrator, Mr. Clayton, was warranted in making his statement from his contacts.

But as a member of the committee, keeping in mind that the House has already passed a bill for the disposal of normal surpluses, I thought it well enough to check up on the matter, and I undertook, yesterday afternoon, to make contact with the Director of the Budget. I did not contact him, but did contact his office, and I think there is an apparent misunderstanding, and that the Director of the Budget does not plan to submit either a statement on this bill or a bill for the disposal of normal surpluses.

It occurred to me that statement ought to be in the record, because as the matter stands, if this committee takes a course with respect to normal surpluses not contemplated by the bill under consideration, the record ought to show the reason for it.

The CHAIRMAN. I think you are correct.

We will stand in recess until 2:15.

(At 1:05 p. m., a recess was taken to 2:15 p. m. of the same day.)

#### AFTERNOON SESSION

(The recess having expired, the committee reconvened at 2:15 p. m., Hon. Carter Manasco (chairman) presiding.)

The CHAIRMAN. The committee will be in order. We have with us our colleague, Mr. Voorhis of California, whom we are glad to hear at this time.

#### STATEMENT OF HON. JERRY VOORHIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. VOORHIS. Mr. Chairman, I want to thank you for giving me this chance to come before the committee.

I think that this question of the disposal of surplus property is probably one of the most dangerous questions from the standpoint of public policy that Congress is going to have to deal with, and at the outset I would like to say that I think the main thing in order to protect the whole situation is to get it as close to the people as possible in its administration.

I realize that it has got to have centralized administration, but I would personally like to see, as my own bill, H. R. 5082, provides, a national board established by act of Congress, to be appointed by the President and confirmed by the Senate, to have oversight of this work, and to fix general policies.

Then I would like to have that board appoint the director or the administrator, or whatever you want to call him. I think to do that would mean that you would get a chance to have a board of outstanding citizens appointed; and whereas I have nothing but the greatest

respect for all of the gentlemen who are now on the Board, they are, after all, Government officials to begin with and, although they would always have to be consulted in the matter, I believe that a general civilian board would be preferable. And that is the first point I want to make.

The second is that I think that that national board ought to be able to, and be instructed to, appoint State boards in each State to facilitate and oversee the work of surplus property disposal in that State, to try to help to see that the property available is equitably distributed to all parts of the country, or offered for sale, I should say, rather than distributed; and to guide the work in that area. That board in the State would, again, be a board of citizens appointed because of their public standing and their interest in seeing this job done in a way that will bring the maximum possible benefit to the people of the Nation.

In the next place, I went over rather carefully the bill that the committee has under consideration, and it seems to me there are a number of places in that bill where it is important that the language be made much more specific than it is.

For example, Mr. Gossett yesterday, I think, made the point that he thought it would be well to insert somewhere in the bill something to the effect that it is the purpose of Congress to prevent profiteering in these surplus commodities. And I believe Mr. Clayton more or less demurred to that, feeling that it might interfere with a prompt disposal of the property.

I want to say that I would far rather take longer time to dispose of this property and do it right, than I would to be in a great rush to dispose of it and have trouble arise, or have the opportunity for the sort of thing that has happened after every war so far; namely, certain fellows getting hold of great quantities of it, upsetting the trade in that particular commodity, and making extortionate profits out of it. I am not sure how much of a hurry we ought to be in to dispose of this stuff. I am not sure but that if we took a little longer period of time to dispose of it, there would not be some real advantages gained as to a great deal of it. Of course, where the commodities are perishable, that is a different matter. But I am talking about stuff that is not perishable.

In H. R. 5082, copies of which I have given to the members, I have some provisions which I think would really be effective in preventing profiteering. The first of those provides for certain preference to be given, and I shall read it. It provides that where a State board finds that there are more applications for purchase of any given type of thing than there are units available of that particular thing, that:

First preference shall be given to orders filed by members or former members of the armed services of the United States who desire to purchase the item for use in connection with their occupation or their business.

Second preference, I provide, shall be given to persons other than veterans who desire to purchase the item for use in connection with their occupation or business.

In other words, if these sales are made, insofar as possible, to people who are actually going to put the item to use themselves, there will, to that extent, be an avoidance of any possibility of profiteering.

In the second place, it is my personal opinion that where sales are made in large quantity, that the resale mark-up ought to be fixed;



not in the bill, because that would be impossible, of course, but it ought to be fixed by the Administrator, at a fair figure.

In the third place, I believe it should be definitely required in the legislation that all this surplus property should be sold in the smallest practicable quantities. That is to say, wherever it is possible to market it, even again if it takes a longer time, in small quantities, so that small businessmen, farmers, people like that, can purchase it, instead of marketing a great, huge quantity to one purchaser, it should always be sold in those smaller amounts.

And finally, on this question of avoidance of profiteering, I have a provision in my bill which I did not find in the bill that the committee has under consideration, but which might be put in there, that says—

that no surplus property shall be sold for salvage or junk value unless and until it has been demonstrated that no purchaser engaged in the legitimate business of handling such property desires to purchase it.

I suppose that would be done by the Administration, anyway, but I would like to see it written into the act.

In the next place, I have in my bill a provision which I think ought to be in the bill that the House passes; and that is a requirement that listings shall be made of all property declared to be surplus by the Army and the Navy, or whoever else declares property surplus, at regular intervals; and that those listings of those properties shall be in the nature of a catalog of what is available for purchase, and that the Government's estimate of what the stuff is worth should be included therewith.

I have known of many people who have tried to get information about this matter. Of course, I understand how difficult it has been to get full information available up to date. But I do not think these sales ought to be made unless the American people generally have knowledge of what is being sold and for how much, and I think Congress ought to require that that be done. I realize it is a big job. But this whole business is going to be a big job and I do not see why it is not possible whenever stuff is declared to be surplus, specifically to catalog it and make that information public.

Mr. HOPE. May I ask a question at this point? How widely would you distribute this information?

Mr. VOORHIS. I would send it out to the press. I would send it to these State boards that I am suggesting should be set up. I would make just as wide a dissemination of that information as possible.

Mr. HOPE. I think the idea is an excellent one, but I am wondering how you could get this information down to your dealers in the smaller towns.

Mr. GOSSETT. If the gentleman will yield, Sears, Roebuck and Montgomery Ward manage to get their items out in their catalogs. The Government ought to be able to do that just as well.

Mr. HOPE. They will probably have as many items to sell as Sears, Roebuck, too.

Mr. VOORHIS. I would not be surprised at that.

Mr. HOPE. Maybe that is the way to do it. I am not saying that it cannot be done. I would like to see it done. But I am just wondering how practical it is.

Mr. VOORHIS. At the very least, there could be a central place where the information could be obtained. At the very least, it could be widely publicized throughout the country, so that anybody by

writing to a certain place could get such a document. And even if that were done, it would be I think very salutary, because then, at least, the people would know where they could get the information, even if it were not sent directly to them.

The CHAIRMAN. Of course, Sears, Roebuck do not catalog quite a number of items that they have for sale. They do have a catalog saying that they have baby buggies for sale, and things like that. Of course, the items would have to be given a number. The idea is a wonderful idea, if it would be carried out in a practical way.

Mr. VOORHIS. I do not see why it would be any more difficult than Sears, Roebuck finds it.

The CHAIRMAN. I might want to bid on eight trucks. If you submitted that item all over the United States, there might be somebody in every community who would want to bid on eight trucks, and pretty soon you would run out of trucks.

Mr. VOORHIS. That is right; they would.

The CHAIRMAN. In other words, you would have daily changes in your catalog.

Mr. VOORHIS. That is right.

Mr. HOPE. It would all have to be offered subject to prior sale.

Mr. VOORHIS. That is right.

Mr. GOSSETT. And at established prices.

The CHAIRMAN. The catalog would not be worth very much with all those changes, would it?

Mr. VOORHIS. I do not think there is any doubt that you are going to run out of some of these things. That is one reason why I suggest that there should be State boards established, and I think there should be an equitable distribution of the stuff that is in demand, among the various States of the country.

The CHAIRMAN. I think the Administrator of the Surplus Property Boards should provide the opportunity to as many local communities as possible to bid on this stuff. But if you force him to put out a catalog and send that to 130,000,000 people, it would take quite a lot of money, would it not?

Mr. VOORHIS. I am not suggesting, Mr. Chairman, that he send it out to 130,000,000 people. I am suggesting first, that he have it himself; second, that it be available so that it can be sent upon request to those who request; and third, that it be made available to the press. Also, and fourth, I think with a little thought on the subject he could conclude that it would be easy to send a copy to chambers of commerce in the different towns with a request that they make the information available to citizens in that town who might want to see it.

The CHAIRMAN. These fellows in rural communities do not have chambers of commerce.

Mr. VOORHIS. I live in a rural community myself. We have chambers of commerce. Maybe you call them by a different name. He could send them to your farm bureau, or somebody like that. But I am not so much concerned about sending them out as I am about having the information available so people can get it who ask for it.

Mr. COCHRAN. If you put this in catalog form, and include all of the items that there will be for sale, you will have a catalog probably as large as that of Sears, Roebuck. While the chairman says that Sears,

Roebuck do not include everything in their catalog, if there is anything that they miss, I would like to know what it is, thinking of the catalogs that I have seen.

Mr. VOORHIS. That is right.

Mr. COCHRAN. I am not saying anything about the merits of your plan. I can see the wisdom of serving the people as a whole, if that plan could be carried out. But if they do not do that, what would be the objection to getting out a statement listing classes of items? For instance, I might be interested in the purchase of certain articles, but I would not be interested in the purchase of other articles. One classification, let us say, would be dry goods. Another one, perhaps, would be for trucks, and so forth. We could separate them so that we would not have to use all the paper in the market to send them out to a man who may want to buy a truck, but would not be interested in a catalog listing every item.

Mr. VOORHIS. I think it should be done that way. I am certain it should. Furthermore, it would be a cumulative proposition, because all of this stuff is not going to be declared surplus at once. Some of it is going to be declared surplus, perhaps right now, and some of it not for some time.

Mr. COCHRAN. The thing that is going to confront you is this: All of the goods that we have that are surplus now, of a type that cannot be purchased in the open market now, should be placed on the market immediately, because the moment an industry starts getting back to normal production, if you have a large surplus of goods of the kind that they are going to manufacture, and you attempt to dispose of it in the open market, that industry immediately is going to call upon its Representatives in Congress, and others, demanding that that property be not placed on the market, as it will interfere with private manufacture.

That is my viewpoint. We ought to get rid of as much of this property as we possibly can now, if it is of a type that cannot be purchased now.

Mr. VOORHIS. I think, of course, that is correct.

Mr. COCHRAN. We have a tremendous lot of property now on hand. If you will read the testimony of the Army representative—I believe it was General Clay—he stated in his testimony that they have already disposed of several hundred million dollars of surplus property, and so has the Navy. And he stated that they want to get out immediately, while the war is going on, and after the war. They do not want to have anything to do with the disposal of this surplus property.

He gives a figure in his testimony. He said:

In the last half of 1943—it was in the middle of 1943 that it first became a problem—and through the first quarter of 1944, over a period of 9 months, we have actually redistributed or otherwise disposed of approximately \$261,000,000 of property. Actually it is a business now that is running in the neighborhood of \$35,000,000 a month.

That was his testimony before the joint committee presided over by Senator George, at which the committee of which Mr. Colmer is the head in the House, were present. That gives you a little idea of what they have now.

Mr. VOORHIS. All I would want to say is that I agree completely with what you say. I think that is one place where this surplus property can help the market, if it can be sold now, especially if the



items are scarce otherwise. Of course, I am not sure just how far that is going to dovetail in with items that are to be declared surplus; that is, how far they are the same as those of which there is now a scarcity in the civilian economy. But no doubt in some cases that will be true. But I am positive that if the information as to what those items are is made generally available to the greatest possible extent, it will help rather than hurt that problem.

Mr. GOSSETT. In line with what you have to say there, and, for illustration, taking just one item in this disposal of surplus property, a gentleman in San Antonio, for example, bought some 2,500 gas stoves from the quartermaster depot in California. There is no such stuff on the market, and it cannot be bought as I understand it. But he got hold of a large quantity at this quartermaster depot that they wanted to dispose of.

Mr. VOORHIS. I think that is all wrong. I do not think one fellow should have gotten all of those. I think it should have been possible for them to be sold in much smaller quantities than that, if not sold individually. And I think it could be done that way.

Mr. GOSSETT. This man, incidentally, is not a merchant. He is not a furniture dealer. He is just an individual that is going to make a lot of money out of those stoves.

Mr. COCHRAN. Mr. Clayton indicated, as I understood him, that it would be impossible to carry out your suggestion. I brought up the question concerning something that I knew something about, the sale of motorcycles. And he said that in the long run, they disposed of those motorcycles to the dealers, with the exception of a part of them that had to go back to the factory because the motorcycles had not been manufactured for speed. They were to be used in the desert. They had a different kind of control on the engine, or something of that kind, that retarded their speed. So that it was necessary for them to go back to the manufacturer to be changed so that they could be used as a motorcycle is used by the people of this country. Now, I know this to be a fact. We paid \$400 apiece for those motorcycles. They first offered them to the two corporations that had sold them, and the highest price that they agreed to pay was \$200 apiece. They were practically new. I was told by Mr. Mack that he would not sell them for \$200 apiece. He went out and circularized the dealers all over the United States and he got up to over \$300 apiece for them. Those motorcycles were sold. But I understand that after the Procurement Division refused to sell them to the manufacturers for \$200, then the manufacturers came back, when they found they were going out to the dealers, and they did get some of them.

But they are going to try to get all the money they can out of this. If we have some goods that are 100 percent serviceable, that have never been used, and we are not going to use them, and are going to dispose of them, I think they ought to go on the market immediately and we should get as close to the price that we paid for them as possible, because you cannot buy them in the open market today and you are not now competing with industry.

Mr. VOORHIS. All I have to say is that the more people who know that you have the item for sale, the better chance you will have to get a good price for them. I wonder what would have happened in connection with those motorcycles, for example, if there had been general notice of the fact that they were for sale throughout the country.

Mr. COCHRAN. You would have had about a hundred thousand applications for a limited number of motorcycles.

Mr. VOORHIS. You probably would and you would have had to allocate them, and you would have had to have a system of preference as to their sale, and you would have had to see that they were equitably distributed. And I think that is all part of the job.

Mr. McCONNELL. Do I get the idea from you that you anticipate sales by the Government agencies direct to the people?

Mr. VOORHIS. I think that depends on what the item is. I anticipate some sales like that.

Mr. McCONNELL. Would that preclude the sale of larger quantities through the trade channels?

Mr. VOORHIS. I spoke of that before you came in. No, it would not preclude it. But I think preference should be given to sales in smaller quantities rather than in larger quantities. I think it is obvious why it should be done. I think otherwise your small dealer, your small businessman, would not have a chance at a lot of the stuff, because it is easier to dispose of it in huge quantities.

The CHAIRMAN. If you were to sell directly to the consumer, would you not be eliminating your small businessman, the man we are trying to protect here?

Mr. VOORHIS. Yes, in cases where you sold directly to the consumer, you would. But I think there are instances where some of this mechanical equipment, like trucks, things like that, might well be sold directly to the farmer, for instance.

The CHAIRMAN. Of course, the automobile dealer was the first casualty of the war. He has been paying taxes and trying to maintain his organization, in the hope that the war would be over soon and he could go back into business. If we supply the needs of the local community with cheap, Government trucks, that fellow will be driven out of business.

Mr. VOORHIS. I think that would have to be considered. I do not think you could go too far with that.

The CHAIRMAN. He has been rendering a service, keeping up his force, servicing the war workers and farmer's truck, seeing that it is repaired, and so forth. We do not want to destroy him.

Mr. COCHRAN. You must not think for a minute that he has been driven out of business.

The CHAIRMAN. A lot of them have been pretty badly shaken.

Mr. COCHRAN. Do not think that they have not been making some money. I had to buy an automobile. Mine was ruined by people who were driving it, who did not know how. I got permission to buy a new automobile. I had to have one.

The CHAIRMAN. I did not know a Member of Congress was in an essential industry.

Mr. COCHRAN. I made myself an essential industry. The man from whom I bought that automobile had had it over 2 years, and under the ruling, I paid that dealer \$15 a month rental, from the day that he had that automobile, which was added to the price of the automobile. He had that automobile down in a cellar with other automobiles, and he could not have paid more than \$5 a month rent for that cellar space.

Mr. VOORHIS. Mr. Chairman, I have a couple of points that I would like to make.

Another specific point is that I believe that it should be made possible for the Smaller War Plants Corporation to make purchases of equipment for the account of the small businessman. I think there are going to be instances where that could be done by the Smaller War Plants Corporation and then redistributed by them at no profit to them to a considerable number of small businesses, and I believe it would facilitate small businesses being able to participate.

In the next place, I think the bill ought to specify any agencies to which authority to sell is to be delegated. What I honestly believe is that this program ought to be centralized in one agency as much as possible, but if it is going to be delegated, I think the bill ought to specify, and I will tell you the reason why.

One reason is that I think, for example, that land which could conceivably be useful for agricultural purposes ought not to be disposed of by the R. F. C. I think every acre of it ought to be put in the farm tenant bureau program and handled in that way.

The CHAIRMAN. Who would you have dispose of the industrial property?

Mr. VOORHIS. I think that is different. I do not care. I suppose that the R. F. C. would be the best.

The CHAIRMAN. How about your housing projects?

Mr. VOORHIS. That would not be agriculture, certainly.

The CHAIRMAN. That is land.

Mr. VOORHIS. That is right.

Mr. COCHRAN. Mr. Clayton told us yesterday that they did not intend to sell anything. He told us yesterday that he did not have more than 50 employees. That is what he said. He has already designated the agencies to handle this. The R. F. C. is selling lands and plants. The Procurement Division of the Treasury is handling consumers' goods, and so forth. He has already delegated agencies and they are operating now just along the lines you suggest, with the possible exception not the agencies that you suggest, but he is not going to sell anything directly.

Mr. VOORHIS. I know.

Mr. COCHRAN. He is going to supervise it and be the director of it.

Mr. VOORHIS. That is right.

Mr. COCHRAN. Everything abroad he is going to let Mr. Carmody have. Something was said about the Foreign Economic Administration yesterday. There is no administrator in this Government who has rendered better service than Mr. Carmody. Everyone will agree with that statement.

Mr. VOORHIS. I agree with you. I think the agencies that are to be designated ought, so far as possible, to be specified in this bill. I hear all the time from Members and other people, too, about the fact that the Congress delegates too much authority, and we complain about it particularly when the agency in question is dealing with human beings, but here where you have got billions of dollars' worth of property involved, and it is going to be sold under circumstances that at best are going to be difficult, everybody says that we have to delegate unlimited discretion. I do not think we do. I think we can write a bill that will be a tight bill, if we try, and I think that we ought to try.



I would like to say a couple of words about Government plants. I think that is the most crucial thing of the whole business. The whole purport of my bill—I do not need to go into it in detail—is to prevent the sale of those plants in such fashion as to strengthen monopoly, and it would give to the Antitrust Division of the Department of Justice the function of saying whether the industry in which the plant was to be used was an industry in which monopoly existed already.

The CHAIRMAN. Would you leave that much discretion to the Department of Justice?

Mr. VOORHIS. To determine that fact; yes.

The CHAIRMAN. The only time they have ever found any violation of the Smith-Connally Act, the antistrike act, was when the strike occurred in Philadelphia; so I do not know that they have every determined that a monopoly existed in this country.

Mr. VOORHIS. I am talking about the Antitrust Division.

Mr. COCHRAN. There is a special provision in here that protects the Antitrust Act, and I do not think it should be in here, because there is nothing in it that interferes with the Antitrust Act.

Mr. VOORHIS. I know that, but if you are going to take some of these plants that the American people have bought and paid for and sell them to a corporation that already completely dominates the industry, what that corporation is going to do 9 times out of 10 with it is to junk and hold it out of use, and I think we can do better than that.

Mr. GOSSETT. What you have in mind is, for example, to say that the Standard Oil Co. would take over the Big-Inch pipe line.

Mr. VOORHIS. Exactly.

Mr. GOSSETT. And General Motors buying up all the trucks and things like that?

Mr. VOORHIS. That is right. General Motors acquiring a huge bunch of plants that the Government has bought and paid for, when they are already in a very strong position, although automobiles is not the most serious case. There are other industries much more serious. All I tried to put in my bill was that if monopolistic conditions did exist within an industry, that until those conditions had ceased to exist the Government should retain title to that property and should lease it on condition that it be used to 75 percent of its capacity, and if it was not so used the lease would cease to operate.

But in cases where there was not a monopoly condition in the industry, then the Administrator would be free to make a sale of the property.

Mr. COCHRAN. Here is a paragraph that will interest you. It is in section 12. There are two words here that will interest you. It is section 12, paragraph (g):

To dispose of surplus property as promptly as feasible without fostering monopoly or restraining trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

Mr. VOORHIS. I know.

Mr. WHITTINGTON. It is the very first objective that we have, to discourage monopolistic practice. It is in the fourth line of the bill.

Mr. VOORHIS. I think that there ought to be some specific provisions as to how that is to be done.

Mr. COCHRAN. We have a section in paragraph (d)—

to afford smaller business concerns and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors. \* \* \*

Mr. VOORHIS. If the committee does not think well of the more drastic proposal as I have made it in my bill, I would suggest on page 14 of the bill under consideration, 5125, section 14, that instead of having the specific provisions which are in there as to the disposal of Government-owned plants for synthetic rubber or aluminum, that that list be expanded to include at least steel, airplanes, ships, and petroleum products. I think that list is too short, and I do not see any reason why just aluminum and synthetic rubber should be singled out, though I think they should be in the category they are in. However, I think there are other industries where the same thing would be true.

I was up in Pennsylvania not long ago and I saw a plant there about 2 miles long that the Government had built that Carnegie, Ill., is operating. I suppose there will be a question about that.

Finally, Mr. Chairman, I want to say that in my judgment special consideration in connection with this matter should be given to the schools of the United States. The reason why I believe that is that I think the schools of our country are going to be about the most important agencies and the most important helps in the post-war period that there are. The passage of the G. I. bill is going to give them a monumental task.

In many instances these schools have had equipment for vocational-training purposes which was taken out of the schools at the beginning of the war and replaced with Government-owned equipment for the training programs. That equipment belongs to the Government. Some of it has been taken out of the schools subsequently to be used elsewhere. There is a great deal of equipment that will be used and useful to the schools. Certain tools can be used in their vocational-training program, also motion-picture projectors and things like brooms and stuff like that. Just for the sake of discussion, I want to suggest all this equipment has been paid for by the American people once, and that there is at least some logical argument to be made that such of the equipment as could be useful to the schools might be directly given to some of the schools.

Mr. COCHRAN. On page 12, paragraph (b), there is this language—

To afford public, governmental, educational, charitable, and eleemosynary institutions and cooperative organizations an opportunity to fulfill their legitimate needs.

Mr. VOORHIS. That is right.

Mr. COCHRAN. They can buy all they need under the terms of that.

Mr. VOORHIS. I know, but there are a good many school districts that will not be able to buy. They will not be financially able to purchase, and I think that there are instances where it would be worth while to have a program where you would do this—where lists of the available supplies would be furnished to the State boards of education and through those State boards of education to the local school districts, and where schools might make application for certain of this equipment which they need in their educational programs in the future, and I think that on certification of the State boards of education those school districts are not in position to make cash payments in the full

amount asked for that equipment, I do not see any reason why it would not be all right to assign the property to that school district even if they could not pay for it.

Mr. COCHRAN. Do you not know that the States of the Union today, taken as a whole, are in a better financial position than they ever were?

Mr. VOORHIS. I think that is true.

Mr. COCHRAN. That applies to your State.

Mr. VOORHIS. It does not apply to every school district equally in our State at all.

Mr. COCHRAN. I was surprised to read the other day where they had about \$70,000,000 in Missouri. If there is one State that should be able to pay, it is your State.

Mr. VOORHIS. I am not complaining about my State. Under my proposal, I do not think my State would get as much benefit as some of the other States would, but if the equipment is going to be made available to specific school districts, it does not by any means follow that all school districts are in that same situation, and it seems to me some machinery ought to be set up where schools that did lose equipment as a result of governmental action might have a possibility of replacing that equipment with other comparable equipment.

Mr. COCHRAN. This bill from start to finish provides that nothing is going to be given away except that which is absolutely declared to be of noncommercial use and scrap.

Mr. VOORHIS. I understand that.

Mr. COCHRAN. There is no provision in the bill such as you suggest, and if you put one in you would have to put in others.

Mr. VOORHIS. I do not know of any others that would be comparable to this school situation. Perhaps there are others. I have been unable to think of any.

Mr. COCHRAN. That was brought out and discussed thoroughly.

Mr. VOORHIS. I know, and I can appreciate the committee's desire to stick to that principle.

Mr. COCHRAN. I am talking about the hearings that were held and the recommendations of this Board in submitting this legislation.

Mr. VOORHIS. I can well appreciate the committee's desire to stick to that. I would only add to this school proposition that to stick to that principle in the case of schools will favor the wealthy school districts at the expense of the poorer ones, inevitably. The wealthier school districts will be able to purchase the surplus property and the poorer ones will not. I think that is inevitable. I would personally like to see some provision put in the bill so that upon proper certification from State boards of education, or perhaps by getting the State department of education to pay some portion of the cost, that the poorer school districts might have a chance to participate.

Now, in conclusion, Mr. Chairman, I have taken longer than I expected, and I want to say simply that I believe the bill we finally enact and bring into the House on this question of surplus property disposal should be the tightest bill we can draw. I think it should tell precisely what the objectives are and how they are to be accomplished. I think it would be better if the machinery were set up under a national civilian board and if State boards under that board were set up in the various States to carry out this all-important



program, I think it would be a help, and I think it is a tremendous undertaking. I do not think it can be undertaken without knowing that if it is to be done right, the right machinery will have to be introduced, and I think the very basis of that right machinery is full information and publicity on the items available and a wide distribution of that information. I thank you.

Mr. WHITTINGTON. You do not make any distinction in your bill between war surpluses and normal surpluses?

Mr. VOORHIS. No; I do not. My bill is admittedly an inadequate bill. My bill is a framework and contains certain principles which do not go nearly into the detail that the bill you have before you does. I would not pretend to say that I thought my bill would be substituted for that bill, in its present form. I think there are some of the provisions of my bill that are very worthy of consideration.

Mr. WHITTINGTON. I asked you that question because it strikes me as fundamental as to whether or not we are going to provide generally for the disposal of all war surpluses, or the other.

Mr. VOORHIS. If I thought it possible to draw a specific line between them, I would feel differently, but I think it is going to be almost impossible to make a distinction. I would like to make a distinction because I recognize they are different problems, in the long run, but I do not know how to do it.

Mr. WHITTINGTON. I believe we have to make a distinction. It is a difficult problem, as you say.

The CHAIRMAN. Thank you, Mr. Voorhis. We appreciate your coming before the committee. We will now hear from Representative Dirksen.

#### STATEMENT OF HON. EVERETT M. DIRKSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. DIRKSEN. Mr. Chairman, by way of preface, let me observe that I rather agree with the sentiment expressed either by Mr. Hancock or Mr. Baruch in a very excellent report, that this is an operation that must necessarily be conducted in a goldfish bowl. The reason for it is not that it is going to reflect upon the integrity of any administering officer, but rather that the whole question of public morale is involved. I think I have one of the few sets of the report of the Graham committee which was created after the last World War, and perhaps you are familiar with the composition of that committee under the chairmanship of Representative Graham of Illinois. There are 20 volumes, and over the last few years I have had a chance to dig around a little, and frankly it was a pretty sorry spectacle. It must never happen again. There is just a little too much ferment in the country, and it would be unsafe and dangerous if we went through that kind of performance and experience.

The CHAIRMAN. Before you proceed, you are on the Appropriations Committee, and that report is out of print now. I am just wondering if you could not get an appropriation through for it. I have read a lot in there, and that is one of the reasons why I have been so disturbed.

Mr. COCHRAN. On the other hand, Mr. Graham came from the very district that has been referred to two or three times with reference to the sale of 3,500 acres of land. He came from Springfield,

the Sangamon County district. That has been mentioned here four or five times. At that time he was chairman of the Committee on Expenditures in the Interior Department, but the House later set up a very large committee headed by a very outstanding Republican and a fine man, which I am sure you will admit, Mr. Royal Johnson, and they made one of the most exhaustive investigations that the Congress had ever made, which contained two or three dozen volumes of testimony.

Mr. DIRKSEN. Twenty, to be exact.

Mr. COCHRAN. Taking that investigation as a whole, they gave a pretty good clean bill of health to the conduct of the First World War from the standpoint of expenditures of money. There was waste, extravagance, as there is bound to be, but when you go and pick out the critical volume, why not look at the ones that are not so critical? A Republican was chairman of that committee, Mr. Johnson, and every one of us who knew him admired him. He was a brilliant man, and I think that his report ought to be read.

Mr. DIRKSEN. Let me make this observation. Frankly, I did not pick out one critical volume. I read all the minority and majority reports that were rendered by that committee to make sure that I got reasonably a perspective account. After you read them all, it is still a very illuminating episode in our national history. That is why I believe Mr. Baruch so essentially was right when he said that this should be a goldfish bowl operation because of the morale of the people. There was some apathy after the last war. There is no such apathy today, and so it must be conducted on a level of circumspection such as we have never seen before, if we are going to avoid a good deal of the feeling that goes along with an operation that might be open to suspicion. As I say, it is no reflection upon the integrity of any officer who administers this program. This is just the index that I have here. I simply observe that by way of introduction because the country is going to watch.

Getting back to the suggestions Mr. Voorhis made a moment ago, I believe one of the things to be done is to bring to the attention of as many people as possible who are likely to have an interest the type and classes of property and the units, the cost, and that sort of thing, so you can develop some sales interest; so that you will get over every sales resistance if speed and expedition are the things we are interested in.

You cannot get out a huge catalog because as items are sold your catalogs of course diminish in value, but it seems to me this can be done—from time to time mimeograph sheets of available property and all data can be posted in every post office in the country. There will be changes from time to time. People will write in only to find that the item has been sold. But if through the press the attention of the public can be directed to the fact that if they are interested in any class of surplus property, go to the post office, take a look at the bulletin board and see what is there, you are going to generate a considerable sales interest, in my judgment.

Now, in proportion as you do, no one can ever raise his voice in captious criticism and say, "Well, I knew nothing about it. Some of the big fellows are going to get this property; the little fellows will have no opportunity."

If you have given them the opportunity, that, in my judgment, is the important thing, and so the committee ought to give some attention to the business of publicizing what we have. They should publicize its condition, and so forth, so that the public will know.

Mr. COCHRAN. Right on that point, it so happens that a very large concern in St. Louis has a chain of grocery stores, not one of the big chains but a local chain. It deals solely in St. Louis. They wrote me a letter saying they had read in the paper that a certain amount of canned food, or something along that line, was to be disposed of. They said if they had known they would have been in the market to purchase it, or to have made a bid for it, so I sent that up to Marvin Jones and got a letter back from him this morning explaining that they did not circularize everybody; that that was impossible, but that they would add their name to the mailing list to be advised in the future of such sales. They evidently are circularizing people who desire to be circularized, and certainly a business house that has 12 stores, or something like that, there is nothing to prevent them from writing a letter and asking to be advised.

Mr. DIRKSEN. But the essential point I make is that you want to dig down into the grass roots if you are going to meet the opposition that sometimes springs from a surplus program.

Mr. COCHRAN. Posting announcements in the post offices would be an excellent idea if it could be done.

Mr. DIRKSEN. You would leave it then to the diligence and the interest of the average fellow, if he is interested, but he will have no quarrel if you can say to him, "Why didn't you walk over to your post office and take a look? The list is there, and if you are so much interested you should have energy enough to go over and examine that list."

Mr. COCHRAN. You have individuals and organizations set up at the present time notifying the organizations, and they charge them for the service. They are even running advertisements in the papers that they are in that business to do that. I have read those advertisements.

Mr. DIRKSEN. Now, the second item that I want to refer to is this question of stock piling. I do not have the slightest doubt that under this bill the Administrator can stock pile. But we should have an administrative regulation with respect to the stock piling of nonperishables, ferrous and nonferrous metals.

We had a subcommittee of the Military Affairs Committee under the chairmanship of now Colonel Saddis who is in the service, who rendered, in my judgment, a very excellent report on the stock piling of critical materials. Not a thing was ever done until the blow fell at Pearl Harbor. I will not say that nothing was done. Probably an inadequate stock pile was built up, but while this is emergent legislation there is not any reason why a declaration of policy, or a formula on stock piling should not be expressed in this bill over and beyond any action that is taken by the person who administers this act. I think it should be done as a matter of policy.

The third item to which I wish to refer in section 4 is the Advisory Board. First, I notice that the Secretary of Agriculture has been omitted.

The CHAIRMAN. May I say there that we took a poll of the committee this morning, and they agreed to put the Secretary of Agriculture in.



Mr. DIRKSEN. I think he should be there, for this reason: Insofar as food is concerned, doubtless the War Food Administrator can discharge every responsibility, but do not forget that the Secretary of Agriculture, in his capacity as a member of that Department, is in charge of the Rural Electrification Administration. They are interested in wire. They are interested in generators for their cooperatives and in Diesels. He is also the civil head of the Forest Service, and they may need some things, and so it seems to me that he ought to be able to speak for those agencies that may have a very abiding interest in the properties under this bill.

Now, I observe also that the General Accounting Office has been omitted, or at least it was not included in the advisory board. I have a high esteem for the Comptroller General of the United States. He is the man charged under existing law with tremendous responsibility in the interest of the taxpayer. I think that he ought to be in there. There will be a good many administrative difficulties and conflicts. There will be declaratory opinions that they will want with respect to whether they can do this or that; whether money can be disbursed in this fashion or in that fashion; whether special and separate deposit funds could be set up, and he is, after all, the officer charged with that great responsibility in our Government.

Mr. COCHRAN. On the other hand, you know as well as I how I defended the General Accounting Office and the Comptroller General on the floor of the House; not only the present one but the former one. Now, Mr. Warren, or the Comptroller General, does not come into the picture at all until the time comes to audit the accounts.

Mr. DIRKSEN. My friend knows as well as I that a number of anticipatory opinions are gotten from the Comptroller General's office before the expenditure is ever made and that a great share of their time is taken in making declaratory opinions, because a head of a department or a Cabinet member will go and say, "May we do this?" In the interest of expeditious operation here, what harm is there in having that official sit on this advisory board?

Mr. COCHRAN. Where does the expenditure of money come in here? The only money that they are going to spend is the money that we are going to appropriate under this authorization opinion.

Secondly, the bill provides that certain expenses are to be taken out of the proceeds of certain sales. All the other money goes right into the Treasury of the United States. That provision is in the bill.

Mr. DIRKSEN. Well, there are other provisions and we will get around to those when we get around to the question of the disposition of the proceeds. It occurs to me that the Comptroller General should be a member of the Advisory Board.

Mr. WOLVERTON. Just to make an observation, those of us who are present this afternoon who are members of the Special Post-War Planning Committee have had considerable discussion of the question of the Comptroller General and his place in the complete picture. Whether his attitude is the same with respect to the disposal of surplus property as it was with respect to the contract-termination bill we passed, I do not know, but we, as members of that committee, know by personal contact with him that he did not wish to be included in the advisory council that was set up under the contract-termination law.

The committee was rather inclined to feel, as you do, that he should have been. I think at one stage of our proceedings we even made him a part of that, but he insisted upon being taken out and the committee acceded to his wishes, his position being that he did not want to be in the position of being in an advisory capacity unless he had full authority afterward to deal with the matter, and whether that applies to that particular measure, I do not know. That was his feeling with respect to contract termination.

Mr. COCHRAN. He did not want to be in from the standpoint of passing on those agreements and they left him out, and Mr. May, as I understand it, offered an amendment to that bill, and I voted for that amendment. They knocked it out, and the Comptroller General was taken out of the picture and the decision is final with the officials of the Department.

Mr. DIRKSEN. You see, there is not the slightest analogy between the two bills.

Mr. COCHRAN. I do not think so either.

Mr. DIRKSEN. Here he serves exclusively as a member of an advisory board; secondly, my observation would be that the personal disposition of the Comptroller is wholly unimportant. It is a question of whether he can serve usefully on this Advisory Board. Whether he likes it or not does not make any difference. He is an officer of the Government charged with the responsibility, and it is for us to say whether he ought to be on the Board or not.

Mr. ZIMMERMAN. I think he told us, did he not, Mr. Wolverton, that unless he had complete authority he did not want to serve?

Mr. WOLVERTON. That is right. It was no unfriendliness on the part of our committee during the hearing, but it was in spite of the fact that we felt that he was a proper party, just as you do, Mr. Dirksen.

Mr. DIRKSEN. That is right, and personal wishes should not govern in the matter.

Mr. WOLVERTON. I felt, personally, as you do, that it was a matter for Congress as to whether he should be in it or not, but we did accede to his wishes in the matter.

The CHAIRMAN. Since the Board has absolutely no authority in this bill, it might be a little embarrassing for the Comptroller General to serve on a board that had no authority, and then later on have to audit one of the accounts and turn it down, and then have them say you were on the Board, why didn't you warn it.

Mr. DIRKSEN. It should not involve the slightest embarrassment on the Comptroller because he is governed by the law, and I say he might serve very usefully on this Board. I am simply bringing the idea to the attention of this committee.

Mr. COCHRAN. But when the Congress gives him no voice in the termination of contracts bill where billions of dollars are involved, and he has absolutely no voice in that whatsoever, I do not think Congress would put him in a set-up such as this.

The CHAIRMAN. And with no authority.

Mr. DIRKSEN. The third item I am interested in is this question of quarterly reports. I am not insensible of the fact that the making of a report covering such an inventory of property is a big job, but I go back to this observation about the fish bowl, and it seems to me it is not too much to require a monthly report in some detail, at least,

which will be accessible to the Congress and to the press and to the public, because it is going to pay dividends in sweet feeling among the people.

While the bill now calls for a quarterly report to Congress, I trust that the committee will seriously consider that because you are dealing here not only with capital and durable goods, but you are dealing with consumer goods which are quickly bought up and which are quickly disposed of, and I think the country ought to be advised on that at all times, and you cannot do it by making a report three or four times a year.

The CHAIRMAN. Would you require a monthly inventory, a statement of the inventory?

Mr. DIRKSEN. Not in such detail that it becomes an operation of such magnitude as to be such a burden that it requires such an amount of manpower that you can hardly find the people with which to do it, but I am merely making the suggestion to the committee, and it seems to me you might be thinking about the advisability of the modification of that provision.

Mr. ZIMMERMAN. Would you suggest maybe a progress report Mr. Dirksen?

Mr. DIRKSEN. Yes, a progress report.

Mr. ZIMMERMAN. And then stated reports at intervals?

Mr. DIRKSEN. That is right. I think one of the finest things that Colonel Dewey, the Rubber Director, did was to send a report to Congress almost every 30 days telling us of the progress that he had made. I think it was a fine thing, and I think the country thought it was a fine thing, and they were just as alert to the progress in the making of synthetic rubber as anybody here in the Nation's capital, and I think that might well engage the attention of the committee.

The fifth item that I am interested in is this question of the destruction of property at the discretion of the owning or disposal agency when they feel it has no commercial value, or when its repair might not be economically feasible. That is probably all right, but I think I would require there that when they have made the determination that property is to be disposed of that they give notice of intent to destroy.

Mr. WOLVERTON. What section is that, Mr. Dirksen?

Mr. DIRKSEN. It is section 11 (a) and (b).

We have had some experiences with that, and, Mr. Cochran, you will remember when the W. P. A. or one of the agencies was charged with the destruction of potatoes at St. Louis or Kansas City, and you made a defense speech on that on the floor after you got the facts on it.

Mr. COCHRAN. That was down in Mr. Zimmerman's district. He will tell you about that.

Mr. DIRKSEN. Later on we heard about some destruction of some War Department property which was located up here in one of the seaboard States. When the Civilian Conservation Corps was in operation Congress was constantly flooded with the stories about the destruction of shoes, automobiles, road-building machinery, and rubber tires, and they went down below Springfield, Ill., and they took a whole batch of pictures to show how some of this property was destroyed with evidently useful tires on the automobiles, and, of course, people were highly incensed about it.

Now, they are going to be incensed if you destroy any property that has usefulness. Why should property that was made with taxpayers'



dollars, labor, and sweat be destroyed if it can be used? I do not care what kind of property it is. So, before you let it within the discretion or caprice of one man to say, "That is no good," and to say, "I will issue a directive that it be destroyed," notice of intent to destroy should be given. There may be other people who think it is useful, and I think you should make him serve notice of intent to destroy at least 30 days in advance, notice to be posted, and if there is anybody who is interested he will go and take a look at it and say, "Wait a minute, my friend, there is some dollars-and-cents value in this property, and before you destroy it I would like to buy it." Maybe schools and colleges, or maybe soil-conservation districts are interested in it, or maybe some agency of the Government is, and let us be sure that property is not capriciously destroyed only to plague us over on the floor because every story will come back, and some Member of Congress will have to live with it.

Mr. COCHRAN. Back just a few weeks ago your colleague, from your own State, made a speech in reference to the shoes that were destroyed.

Mr. DIRKSEN. That is correct.

Mr. COCHRAN. Those shoes came from the Aleutian Islands, and the investigation disclosed that there was something wrong with them, and the Army inspector refused to let the International Shoe Co. that had the contract resole and reheel those shoes, and as a result they sold them to a dealer in Chicago at a cheap price. The Board of Health of Chicago examined the shoes and decided that they were not fit to be worn by an individual and ordered him to destroy them. Instead of destroying them, as he was ordered to destroy them, he threw them into box cars and sent them to a fertilizer plant in Mr. Johnson's district, and they ground up the shoes for fertilizer. Mr. Johnson made a great big speech there about grinding up army shoes for fertilizer. I got Mr. Clayton and I got General Somervell to make an investigation of it and to send me a report, and what I have just told you is the report that they sent to me, that they were not fit to be worn by a citizen of this country, that there was something wrong with the shoes, that they might cause disease of the foot. But, Mr. Johnson did not say that. He just made a critical speech, and that was all, and that is what you are going to find no matter how careful you are.

Mr. DIRKSEN. I am not dealing with the merit or lack of merit in a given instance. I only say the impact on the morale of this country is going to be bad when people need things and you are going to destroy things which are useful, and I would far rather send them to China to alleviate the sufferings of people there than to destroy property which is useful.

Mr. COCHRAN. You are right there.

Mr. DIRKSEN. I think the notice of intent to destroy ought to be filed at least 30 days beforehand.

Mr. WOLVERTON. In support of what our colleague has just said there came to my attention within the last few weeks and in fact there came to the attention of others on the committee, a situation just as he has related. It is my recollection that it was buildings connected with a former C. C. C. camp.

Mr. DIRKSEN. That is right.

Mr. WOLVERTON. That came under Army discretion or was dealt with by the Army, and the story was and the pictures and all of that were of the breaking up of these buildings by bulldozers, and sending

them up in flames because it was determined by the Army that they had no value, whereas the people in that farm community were horror stricken by that because they were unable to get lumber of the kind that was being burned for use on their farms, and yet there was the very thing that they wanted and could not get, going up in flames.

Mr. COCHRAN. That was in the New England States?

Mr. WOLVERTON. Yes; I think it was.

Mr. COCHRAN. Did you hear the explanation of the matter?

Mr. WOLVERTON. No.

Mr. COCHRAN. The buildings were so full of termites that they were absolutely rotten, and nobody would touch them.

Mr. WHITTINGTON. You mean they have termites in New England?

Mr. COCHRAN. That is what they said. That was the explanation given.

Mr. DIRKSEN. Off the record.

(Discussion off the record.)

Mr. COCHRAN. The one that deserved to be exposed is the one I exposed. That was the sale of the batteries out in Utah.

Mr. DIRKSEN. I was in Utah at the time that was hitting the front pages of the papers and the people everywhere were exercised about it. In fact, I was going through the camp at the time as the guest of the Commanding General, looking at a lot of property that had no commercial usefulness like these slow battle wagons and tanks, and then suddenly this story of the batteries hit the front page. There was a furor, and everybody was talking about it. You cannot temporize with the attitude of people in the country. You must be thoroughly circumspect and narrow this thing down wherever possible so that it is above board and a goldfish bowl operation in every instance.

Mr. GOSSETT. Will you yield, Mr. Dirksen?

Mr. DIRKSEN. Yes.

Mr. GOSSETT. A young man that I know quite well, who is in the Service, and whose name I cannot use, and who writes me confidentially, happened to be in a certain aviation depot in the West, and several million dollars worth of new airplane equipment was declared to be obsolete by the commanding officer, and its destruction was ordered.

So, they proceeded with axes and other equipment to tear this up and destroy it, and after destroying it they found that it was not in fact obsolete, that it could have been used, but they had already destroyed several million dollars' worth of equipment without any justification whatsoever.

So, I agree with the gentleman that in this matter of destruction of property we should proceed very slowly and that there should be some posted notice of intent to destroy. I think it is a very wise suggestion.

Mr. MURDOCK. Will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. MURDOCK. I want to confirm what you have just said and also to agree with you that these actions need to be taken out in the open so all can see, as a question of morale as well as the saving of dollars and cents. I would like to ask this question: From time immemorial—we have heard of it long before this war—Government property being junked by the Army in wartime or peacetime—of Government

property being disposed of as junk. I heard one member of the committee say a moment ago that it is not the intent to give away anything that has not been declared junk. Now, what are the regulations in the Army or of any agency of Government in disposing of property that is no longer needed? If the C. C. C. or some other organization has a bunch of long-handled shovels that they do not need, must those handles be sawed off before disposition can be made of them?

Mr. DIRKSEN. Of course, I think the observation answers itself.

To resume for a moment, Mr. Chairman, I have not examined all of the implications of the provisions here relating to the disposal of plants.

It does look offhand to me that the item of \$5,000,000 is rather high, maybe not. Then I wondered why magnesium was not included along with aluminum and synthetic rubber, and I am interested in this kind of a provision:

Let us assume that it is a mistake and there is no fraud involved in it, that the plant ought to be recaptured in the interests of the taxpayers of this country. Is it not the opinion of the committee that there ought to be some kind of a recapture clause with a limitation on it, let us say, for 6 months, or 3 months, if you like, but, at least, long enough to give the people and to give the agencies interested, and give the Congress a chance to examine, if they are so disposed, into all aspects of any disposal of a plant that is made, so that if we have made a colossal blunder, we still have the right to take it back, even though there is no showing of fraud on which the contract can be rescinded, as we will make some mistakes?

Mr. COCHRAN. We did not put that in the termination-of-contracts bill.

Mr. DIRKSEN. I do not care what they put in there. I am thinking of the very matter that is before us at this time.

Mr. COCHRAN. If no fraud is involved it is waived.

The CHAIRMAN. Would you, as a businessman, want to buy a plant with that provision in the sale contract?

Mr. DIRKSEN. Suppose the time limitation is 90 days, after all people do not buy \$5,000,000 plants overnight, and I think the country ought to have a little look at the transaction.

I have been going around making addresses urging people to lay down \$25 or \$100 on a bond. This is their money, and I think that we, as the Congress, when an agency makes a mistake, as representatives of the people, through the power that is set up in this authorizing legislation, should for a limited while, at least, be permitted to walk in and recapture it and say we made a mistake. It is just a suggestion; it is for you gentlemen to labor out that suggestion. In going over the bill it occurred to me at the time, and I do not know where to draw the line, I am frank to say, whether it should be 30 days or 60 days. Hindsight is often so much better than foresight, and sometimes you see the mistake clearly enough after a deal is consummated.

If there is a mistake you are chargeable in the public interest of seeing that it is corrected, and so I suggest consideration of a recapture clause. Maybe it is the wrong thing. I have not heard the committee's opinion about it, but I am simply submitting it to the committee.

Mr. WHITTINGTON. I wanted to waive all questions and give you the full time, but personally, at the proper time, I am going to suggest



eliminating synthetic rubber and aluminium. I do not see why all plants should not be disposed of.

Mr. DIRKSEN. I think that is correct. I do not know why that limitation was placed there, and that is the reason I have not discussed it.

Mr. WHITTINGTON. I think it is window dressing myself.

Mr. WOLVERTON. It is my understanding that the Senate has put additional plants in there.

Mr. WHITTINGTON. We are not responsible for them.

Mr. WOLVERTON. But I am just elaborating as to what the feeling is, as to whether it should be limited to two or whether it should be a greater number. You suggested making it apply to all by cutting out the two. The Senate has taken the other attitude.

Mr. ZIMMERMAN. I want to say to the committee, and, of course, I am not a member of this committee, but I just want to say that I think some consideration should be given to the suggestion made by Mr. Dirksen, that before property is destroyed some notice of that intention should be given, 30 days or some time, for its effect upon the morale of the people. It may also tend to prevent a lot of these rumors that we have tracked down and found there is nothing to. Some fellow goes in and writes a big story about the burning up of a plant. All right; it makes a fine news story and the people become aroused. I believe that notice would allay a lot of that and give the people an opportunity to get the facts, and I just want to express my approval of that suggestion which Mr. Dirksen has made.

Mr. COCHRAN. Following that battery case they instructed inspectors in the district to make an inspection, which was not approved by the Inspector General, and he sent three of his men out there, and as the result of their investigation the War Department in no manner, shape, or form tried to justify the sale of that property, and following that they issued general orders in reference to the sale or the destruction of property passed upon by those who were in charge as being useless, and now they have an appraisal system of some kind that they are following to prevent a recurrence of a battery sale of that kind.

Mr. ZIMMERMAN. I think that suggestion is worth considering.

Mr. COCHRAN. That applies to the War Department only, as you know, but if it is good enough for the War Department it ought to be good enough for someone else.

Mr. McCONNELL. Is it your idea that section 14 (a) that: "No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which originally cost the Government \$5,000,000 or more, except in accordance with this section or pursuant to an option therefore" should be amended by including a limitation clause?

Mr. DIRKSEN. Possibly it could be cured by making it apply to any plant where the value is \$1,000,000 or more.

Mr. HALE. Could not you simply eliminate the words, "for the production of synthetic rubber, or aluminum"?

Mr. DIRKSEN. Yes; you could; but you should limit the agency in disposing of plants under \$5,000,000, and that embraces a very considerable authority for a disposing agency to have.

Mr. McCONNELL. Then you would have this thought in mind, that the Government would continue to own a large number of surplus plants for a great many years in the future.

Mr. DIRKSEN. Oh, no, no. I have only one thought in mind, and that is that in the disposal of plants where that much money is involved I think a little caution should be exercised, but as far as disposition of the plant facility is concerned, I think the sooner, within reason, that the Government can sell them to private industry that can utilize them and furnish employment in jobs, the better off we will be, but it involves a considerable deal there, and I am just wondering whether or not some precautionary provision, or whether a little longer time limit should be imposed, and I simply suggest that where you are dealing with that much money in one lump, and you have one buyer and one seller, obviously you are dealing with a large chunk of public funds.

Mr. McCONNELL. I imagine the two exceptions of synthetic rubber and aluminum were included because of uncertainty as to future dispositions.

Mr. DIRKSEN. Yes. But other than those that are excepted in the section, I suppose a plant for \$4,000,000 can be sold right offhand if they want to. At least it is a transaction of a size that justifies some caution, and that was my purpose in alluding to it.

Mr. WOLVERTON. May I state there that my information is that the Senate has reduced the \$5,000,000 to \$1,000,000?

Mr. COCHRAN. It is a fine thing to safeguard it, but have you given any thought to the fact that you are throwing it into your own lap?

Mr. DIRKSEN. Yes.

Mr. COCHRAN. Now, when those reports come in here, what are you going to do with them? You have a law now, and I voted for it, setting up the Joint Committee on Internal Revenue Taxation. Under the provision of the law refund cannot be made by the Bureau of Internal Revenue up to a certain amount of money until approved by that joint committee. Now, that joint committee has an excellent staff which is employed all the year around that passes on all of those refunds that the Bureau of Internal Revenue sends down to them where the amount is in excess of the amount provided by law. Now we are going to provide for submitting to the Congress all of these proposed sales of over \$1,000,000.

Mr. DIRKSEN. They are plant sales, not goods.

Mr. COCHRAN. Yes; but when they come down to Congress, if the Congress does not, by law, within 6 months, take action the sale can be closed by the Administrator. I just want to know, for my own information, so that I can protect myself, what committee that is going to. That is what I want to know.

Mr. DIRKSEN. You mean the referral of the transaction?

Mr. COCHRAN. Yes. I would like to know that for my own protection, because I want to be as far away from that committee as I possibly can be.

Mr. WOLVERTON. If this committee has jurisdiction of the bill it would probably be referred to this committee.

Mr. DIRKSEN. I think it would.

Mr. Chairman, I want to refer to section 17 which deals with the disposition of proceeds. I notice that in section 17 (d), on the bottom of page 18, that after a transaction has been completed and property has been sold, the disposing agency can put some or can put all of the money into a fund and say I am not sure of this deal, and we may have to make a refund. Now, you are delegating and appropriating

power to an administrative official, and I say to you, frankly, I think that section is subject to a point of order.

Now, if I remember my appropriations history and authority correctly, it seems to me that Congress passes on every refund, and we always have, and yet here within the discretion of an administrative official, refund can be made for a number of reasons. I wonder about the advisability of that provision. I do not care to belabor it particularly. I think I ought to direct your attention to it. I am not at all clear on it.

Mr. COCHRAN. That can be drawn in a different way. I admit that part of that language is subject to a point of order, because it is appropriating money, it is not authorizing money.

Mr. DIRKSEN. Yes.

Mr. COCHRAN. This is a favorite item for Mr. Taber, and if he sees that it will go out on a point of order.

Mr. DIRKSEN. There is no question about it.

Mr. WHITTINGTON. I think we can save Mr. Taber and a good many others by striking out (b), (c), (d), and (e).

Mr. DIRKSEN. I am not sure but what you are making it possible to set up some revolving funds in this bill.

Mr. WHITTINGTON. Yes; they have enough money.

Mr. DIRKSEN. That is right, and Congress will be in session always, and it will never be difficult to come and get sufficient administrative funds for all purposes that may be involved.

Mr. COCHRAN. Before he proceeds, Mr. Chairman, you have been handing me a number of statements that have been sent to this committee in reference to this bill. It does appear to me we ought to go over some of the statements, and when we get a statement like the one from Vice Admiral Land we ought to put that in the hearing. I was just making a note of that before I forgot it.

Mr. DIRKSEN. Gentlemen, I have taken far too much of your time, but there are one or two other items I thought I might allude to.

Mr. COCHRAN. Proceed.

Mr. DIRKSEN. Over the years I have kept up a very friendly and somewhat abiding controversy with my good friend Admiral Land, of the Maritime Commission, with respect to the disposal of vessels and the trade-in of vessels, whether he was complying with the Merchant Marine Act of 1936. As the result of that controversy, which has gone on over a period of years, a special three-man board, consisting of three judges in the District, was finally created, and in my judgment without any basis of authority whatever. So they undertake to make an appraisal and pass upon the equity and justice of one of these transactions that were made by the Maritime Commission. I do not believe there is a single shred of authority in any statute with which I am familiar that gives them warrant to do so, but now in this disposal program under section 9 (a) there is a provision—

That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

Now, when you approve that, you also approve the regulations you issued for the disposal—and I have quarreled with those regulations time and time again. I simply direct your attention to that because we have a huge merchant marine, large vessels and small.



If we complete the program, we will have built about 7,000 of all types of vessels. We have a huge investment there already which runs into billions and billions and billions of dollars. I suggest you weigh that provision very carefully and see where it is going to lead. Again, I suggest there is no need for me to belabor the point at this meeting.

Mr. CHURCH. The House Committee on the Merchant Marine and Fisheries had been considering the Bland bill for several weeks before we recessed, and that subject is treated in the Bland bill.

Mr. DIRKSEN. Unfortunately, I have found myself in very sharp but courteous disagreement with the Committee on Merchant Marine and Fisheries on occasions. But I simply provoke your attention to that section, because I think it is very important.

Mr. CHURCH. That is one of the most important subjects that that committee has considered for years, and it concerns that committee greatly.

Mr. DIRKSEN. One other item which I deposit with you in all good grace is the question of sales of goods that are abroad at the present time, and the possibility of inserting a provision relative to the denial of their reimportation into this country either in a reprocessed or modified form.

Now, it may not amount to anything; it may be just a small item in dollars and cents, may be a million dollars' worth out of this whole total, but I recall the ruckus that was made when we sent a lot of cottonseed oil across and they had it processed and then later—this was a few years ago—sold it back to us as olive oil. Maybe they did; maybe they did not; but, in any event, when we sell goods over there and take a loss, I see no reason why they should be reprocessed, modified, or altered in any way and then sent back to this country; because the basis of this bill, in our post-war program, is to sell this stuff in a way to get our own economy organized and start producing jobs for gentlemen in the Army and those in industry when they are demobilized. There is no such provision in this measure at the present time. I simply make that suggestion.

The CHAIRMAN. I agree with you in that. I asked Mr. Clayton yesterday if there was not some way we could prevent that. As I recall, Mr. Clayton said he did not know how it could be done. I am just wondering if you know any way it could be done.

Mr. DIRKSEN. I think, if I had a little time, I probably could draft a provision.

The CHAIRMAN. I believe the committee would be glad to adopt such an amendment, if it could be worked out without upsetting the whole program.

Mr. WOLVERTON. This morning, the colonel who testified before us used Campbell soup as an illustration which happened in the last war. They did not even reprocess it. Of course, coming from the district which I represent, I appreciate the fact it could not be improved by reprocessing; but the fact is it was returned to this country and sold, or might have been sold, in competition with our own product had not the Campbell Soup Co. purchased it from the hold-up artist who had it under his control.

Mr. DIRKSEN. One other item. Let me direct your attention to this whole question of surplus housing. We have probably produced now, under our various housing programs, 1,500,000 units, more or

less. Some of it is on reservations, and some of it is off reservations; some are row houses and some are separate houses; some are great clusters and some are small; some are large projects involving 2,500 units; some are little groups scattered around the country. But let us take a situation of this kind: Here is a group of 25 houses and they are designated as surplus, and 3 of those units are occupied by American families, and 22 units are unoccupied, and somebody comes in and makes a deal for the whole business. What happens to those 3? Will they have to go out; is it advisable to make them get out when they have lived there for 2 or 3 years and call that "home"?

We have housing scattered all over the country and it is all right for the Administrator to deal with housing here just like he deals with anything else, just like he deals with surplus goods; but are you going to knock them down? Take, for instance, the Kingsford (?) project in Louisiana, 2,300 units: They are using some of them now; but for a while there was not a family in them. Are you going to move them in their entirety, set them on a flatcar or boat and move them out; are you going to knock them down and sell them as lumber? We have an awful lot of money tied up in the housing program and, when this business is over, the first thing that is going to happen is Congress is going to appropriate very abundantly for a housing program. Both national parties have stated that in their platforms, and it is a way of making work for artisans and craftsmen everywhere in the country. And while you are setting up a house here, are you going to knock another one down there [indicating]?

I do not know exactly what the answer is, but that is one of the biggest things we have to deal with, and a house is surplus under this bill.

Mr. GOSSETT. The suggestion has been made to me, just in a very cursory manner—I do not know whether it is practical or not—that some of those houses might be made available for veterans who have no homes or place to go, at little rent or no rent at all. I think some thought might be given to that in the matter of disposing of this surplus housing.

Mr. DIRKSEN. I think you would almost be justified in giving a little attention to treating housing as a separate item under this bill. In the first place, there is no great need to sell it tomorrow, or the day after tomorrow; you can take a little time on it. It is not just one of those commodities that moves in channels of trade; it is a fixture, fixed to the land, and probably has the germ of a program or policy that is going to have a tremendous effect upon the whole housing program in the future. So, with hundreds of thousands of disposable houses around the country, I think the committee ought to get the very best advice they can from experts in that field—and the Lord knows I am no expert; I have dealt with it time and time again; I have dealt with the Housing Authority and sat on their appropriations for years, but I realize the immensity of the problem.

Mr. GOSSETT. We set up migratory labor camps in different areas of the country. We hope that we will not need any of those hereafter, but we may need them, and some of these projects might well be used for migratory labor camps.

Mr. DIRKSEN. Now, Mr. Chairman, I have one more item and then I believe my time has expired. This is an emotional item. It is one of those things that springs from a kindly feeling I have for people

everywhere who have been suffering the ills of the flesh and have not always gotten the medical and therapeutic treatment they should have. We may have a good deal of penicillin when the time comes, and it is a disposable surplus commodity. We may have a lot of sulfa drugs—sulfathiazole, sulfadiazine, and sulfanilamide. Those are things that have brought great relief not only to the soldiers who were wounded, but to the people when they could get them. I think it would be a great gesture to the country just to take those things that will cure ills of the flesh and give them outright to the hospitals of the country and clinics everywhere and say "You use them for the people and do not charge them for the material." Of course there will be a hospital fee and doctor's fee, but let us say "Give them to them."

I do not know how much there will be—maybe there won't be any; but if there is, I would not like to see the Government set a price on it.

That is all I have to say, gentlemen. I am grateful for your indulgence.

Mr. WHITTINGTON. Just one question. Under some of the bills with respect to the disposition of surplus property, it is provided that the sale shall be at public notice, as you suggested, by posting in the post offices, with reference to the destruction of property. Others, including the bill pending here, require no notice, either public or otherwise. The matter is left entirely to the Administrator. I am wondering generally if the proper procedure would not be to dispose of this property after notice of some kind, rather than at private sale or nobody knowing anything about it? What do you think about that?

Mr. DIRKSEN. The question is this: If you follow the normal governmental procedure of advertising, posting notice, what will be your conflict in the timing element? And, after all, I think Mr. Baruch is right in his report when he said we have to sell a good deal of stuff as quickly as we can.

Mr. WHITTINGTON. That which is perishable.

Mr. DIRKSEN. That is right. And here comes an administrative requirement that does interfere with the timing. I, frankly, do not know just what the answer is on it, but I have an idea probably you will impede the speedy and expeditious disposition of those goods.

Mr. WHITTINGTON. That is all, Mr. Chairman.

Mr. DIRKSEN. Mr. Chairman, I thank you for your time.

The CHAIRMAN. Thank you, Mr. Dirksen.

Mr. DIRKSEN. And if there has been any contribution made by me, I feel well rewarded.

The CHAIRMAN. I think you have made some very valuable contributions.

Now Mr. Charles F. Stilwell, president of the Warner-Swazey Co., Cleveland, chairman of the Committee of the National Association of Manufacturers on the Disposal of Surplus War Property, is here and wants to make a statement to the committee.

Mr. WHITTINGTON. We have a statement of the National Association of Manufacturers.

The CHAIRMAN. Yes, but he wants to elaborate on it.

Mr. WHITTINGTON. He is not going to read that statement.

The CHAIRMAN. No.

Mr. WHITTINGTON. Because the most of us have read the statement.



**STATEMENT OF CHARLES F. STILWELL, PRESIDENT, WARNER-SWAZEY CO., CLEVELAND, OHIO; CHAIRMAN OF COMMITTEE OF THE NATIONAL ASSOCIATION OF MANUFACTURERS ON THE DISPOSAL OF SURPLUS WAR PROPERTY**

Mr. STILWELL. Mr. Chairman and gentleman of the committee: I appreciate very much this opportunity and realize it is growing late and will take as little of your time with this as I can.

Copies of the position adopted by the N. A. M. committee on disposal of war surpluses have already been placed in the hands of the House committee. I shall therefore refrain from reading verbatim this report of our committee setting forth broad principles and procedures which the committee feels should be followed in disposing of war surpluses. Rather, I shall confine my remarks to the specific application under consideration by the House committee—namely the bill introduced by Representative Colmer, H. R. 5125.

**OBJECTIVES (SEC. 1)**

In the first place, I should like to emphasize that industry is wholly in accord with the objectives spelled out under section 1 of the bill. We earnestly hope that surpluses will be disposed of in such a manner as to promote production and employment, and to avoid dislocations of the domestic economy. Maximum employment will be readily obtained only through full utilization of the country's private productive facilities. And production will be directly affected by the selection and execution of policies governing property disposal. Therefore, the impact of disposal policies upon trade and industry will have a decisive influence upon swift reconversion to a high level of peacetime production and employment.

**ORGANIZATION (SEC. 3)**

The N. A. M. committee prefers the establishment of an independent Surplus War Property Commission to that of the Surplus War Property Administration within the executive branch of the Government, as provided for in the bill. This Commission should be given authority to dispose of all surplus property acquired in connection with the national defense and war efforts and not needed for purposes of national defense. The committee recommends that the Commission be composed of seven members nominated by the President and approved by the Senate, each member to have had at least 5 years industrial or merchandising executive experience. The Commission would then be responsible, and report directly, to Congress.

Considering the need for practical and realistic policies for the disposal of war surpluses, the committee voices the opinion that such policies can best be devised by businessmen who from experience could gauge accurately what effects anticipated policies and procedure would have upon industry and therefore upon employment.

The committee does not believe, contrary to thinking in some quarters on this type of organization, that a commission would constitute a difficult administrative problem. There is no reason to assume that administrative unity could not be achieved under the proposed commission. The N. A. M. committee proposes that the commission

function as a policy-making body, leaving to its own appointed administrator the responsibility of executing policy and carrying out procedures which had been decided upon by the commission. Executive responsibility would therefore be centered in the agent of the commission who would carry out its realistic policies. The committee recommends that the word "Commission" be substituted for the word "Administrator" throughout the text of the bill, with appropriate changes necessitated by this substitution.

Now, Mr. Chairman, I would like to say at that point that everybody I have talked to, including myself, has the very highest regard for the work which Mr. Clayton has already started to do. This recommendation of our committee, I think, comes rather tardily.

The CHAIRMAN. Mr. Stilwell, may I interrupt you by saying I introduced a bill on the same subject, April 15, 1943, H. R. 2498, which provided for a board. I could not get the interest of anybody in the country, either industry or Government, behind that. So I am going to take a little credit for having the original idea.

Mr. STILWELL. I think again you are a little ahead of us, Mr. Congressman.

Mr. WHITTINGTON. I agree with you.

Mr. STILWELL. But we have asked you to hear our recommendations, and I wanted to make them complete. That is why we are putting this in. We still feel it very strongly.

Mr. CHURCH. Looking at this bill as drawn, would you recommend that group you are talking about for an advisory commission?

Mr. STILWELL. No, sir; I deal with that later, in just a moment. We provide for the committee to stand as it is.

#### ADVISORY BOARD (SEC. 4)

We find no fault with the creation of an Advisory Board with the exception that the Chairman of the Surplus War Property Commission would under our recommendations be the chairman of the Advisory Board, but the Advisory Board to stay just as it is. Do I make that clear?

Mr. CHURCH. You are still short of businessmen with experience on the commission.

Mr. STILWELL. No. One, we recommend a commission of businessmen; two, we agree heartily with the appointment of the advisory board as stated in the bill; three, the commission formed of appointees by the President shall elect their chairman, who may be the head of the advisory commission as well. We hope it would be Mr. Clayton.

#### NEXT, SURVEILLANCE BY CONGRESS (SEC. 5)

Continuous surveillance by Congress is extremely desirable. The provision requiring quarterly progress reports to Congress is very satisfactory.

#### DECLARATION OF SURPLUS PROPERTY (SEC. 7)

The committee recommends that legislation should provide that a joint board of the armed forces should stipulate as quickly as possible which Government-owned real estate, plants, equipment, supplies, and merchant vessels are needed for purposes of national defense. The

remaining property would, therefore, be subject to disposition as surplus. Section 7 (a), in the opinion of our committee, by empowering the Administrator after the cessation of hostilities to determine what is surplus property in any owning agency, lodges an unwarranted amount of power in the hands of one individual. Nor would the committee be willing to have its proposed commission empowered to make such determinations. We take the position that provision should be made by law that property not needed for national defense should be determined by a joint board of the armed forces.

Mr. COCHRAN. Will the gentleman yield there?

Mr. STILWELL. Yes, sir.

Mr. COCHRAN. I will say that Mr. Clayton yesterday said he would have no objection to taking out the language in section 7 (a), starting in line 19 with the word "for" and ending with the word "agency" in line 24, thereby leaving in section (a) simply the sentence—

Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

Mr. STILWELL. I think that would be a satisfactory compromise between what we suggest and what the bill suggests.

Mr. COCHRAN. I took that up with Mr. Clayton yesterday and he agreed he had no objections to taking it out and I have a memorandum on my bill here where he said that.

Mr. STILWELL. We would agree to it.

Mr. WHITTINGTON. If that language is eliminated, it strikes me that we might well insert, in place of it, substantially this language—that if the Administrator believes any property to be surplus that has not been declared to be surplus by the owning agency, he can report it to the Congress. You would at least get some kind of a showing about this property which these agencies do not want to disclose.

Mr. STILWELL. I assume in his quarterly report he would probably report it to Congress in any event; but we still feel it would expedite matters if you had a fixed method of procedure.

Mr. WHITTINGTON. He is not specifically required to make reports as to property he thinks is surplus.

Mr. STILWELL. No.

#### DISPOSITION BY OWNING AGENCY (SECTION 8)

Where the owning agency is authorized to dispose of, at its own discretion, property which is damaged or worn beyond economical repair, the committee feels that such property should be made useless for the purpose of its original manufacture.

Now, Mr. Chairman, I have listened to a good deal of discussion on that subject this afternoon and it seems to me this answers most of the objections that were voiced.

The manufacturer as well as dealer would suffer a loss of good will, if brand name commodities, which are irreparably defective, are permitted to fall into the hands of consumers. And if I may, Mr. Chairman, I will suggest to you a procedure that I witnessed at the close of the last war that had to do with myself. I happen to be a machine tool manufacturer. I look for this avalanche of surplus to come onto our market and destroy it just as it did after the last war, only to a much greater degree. We saw instances then where property was disposed of at open sale at perfectly ridiculous prices and



at one such sale I actually bought competing machine tools at prices so low that I made a profit by selling them to a junk dealer. Now there is a practical instance. But I do not like to see it; it is not economic and I do not like to see it, but it is a sort of thing we propose here in the case of material that is considered valueless——

Mr. COCHRAN. What would you think of a proposal of a tool manufacturer, such as you say you are, whose tools need replacement, to be permitted to buy surplus tools to take the place of his present tools, with an agreement to destroy his present tools and sell them as junk?

Mr. STILWELL. I think it would be all right if somebody stood around and saw me destroy them. I have had some experience along that line.

Mr. COCHRAN. That suggestion came from a gentleman from your own State through me to Mr. Clayton 2 or 3 months ago. He would like to replace his tools with an agreement, "If you will now sell me tools at an agreed price, I will agree to destroy the tools I now have to prevent their getting into the hands of junk dealers and the junk dealers reselling them as second-hand or new tools."

Mr. STILWELL. I do not like the idea basically, because it is uneconomic. I do not believe in destroying anything as long as it is good stuff. However, I would like to see something happen to this avalanch of machine tools which I face for the next 15 years; but it is uneconomic; it is wrong. But if you sell machine tools to that man in Dayton, and let him sell those old tools to a second-hand dealer, they have to find their level and that second-hand dealer, after this war, is going to pay very little money for those old tools—very little.

Mr. COCHRAN. Even though the second-hand dealer will pay very little for them, he would still sell them at a profit. Now one of the things you ask in your statement is that we do not forget to protect business.

Mr. STILWELL. That is right.

Mr. COCHRAN. And if you are going to let the individual secure enough tools to set up a plant to manufacture the same thing you are manufacturing, if he can set it up extremely cheap, you are liable to have so many manufacturers competing with you that you will be complaining.

Mr. STILWELL. That will depend on whether they have more brains than we do.

The CHAIRMAN. If you were to destroy those machine tools, would not you also run into the same public criticism that some of our people made when they killed pigs and plowed corn and cotton under?

Mr. STILWELL. I think you would.

Mr. COCHRAN. But you are not destroying Government tools, you are destroying the obsolete tools of the manufacturer that he has been unable to replace during this emergency.

Mr. STILWELL. Well the cost comes from somewhere, does it not?

Mr. COCHRAN. Yes.

Mr. STILWELL. The cost comes from the price at which the Government has to sell.

Mr. COCHRAN. I just asked, because he is a man there in Ohio who made the suggestion, and I asked Mr. Clayton.

Mr. CHURCH. If he purchases those tools at a very low price and then resells at a high price, won't he pay the Government the tax on his profit?

Mr. STILWELL. Yes, I suppose so; but he should not buy those at a lower price than anybody else.

Mr. CHURCH. No, that is true.

Mr. STILWELL. Then, he cannot sell at a very large profit.

Mr. CHURCH. No; but he will have to buy them cheaper than he sells.

Mr. STILWELL. He cannot sell at a very large profit, because tools are building up on the market. Remember you have a gigantic program here. It is not something that is going to be over in a few months and some speculator comes along and cashes in. That dealer has to carry these tools for years before he gets out of the competition of them.

The next is: "Methods of disposition (sec. 11)." The committee fully considered subsection 11 (b) which authorizes the disposal agency to donate surplus property to Federally-supported and State and locally-supported agencies as too broad in scope. The committee recommends that such donations be authorized only on the condition that property donated to such an agency be acquired for and limited to the agency's own use. It would be detrimental for Government agencies to be permitted to resell surpluses in competition with business.

Now, Mr. Chairman, I would like to comment just briefly at that point; also on that portion of the bill that has to do with the selling of equipment to schools. As I recall it, the bill requires that equipment to be of "no value."

Mr. COCHRAN. Oh, no. If it is of no value, we give it away. That is the only thing we give away under this bill. We permit them, under the terms of this bill, to buy their legitimate needs, sort of give them a priority. No, sir; we do not let them buy property of no value. The only property that goes out under the terms of this bill is property that has been condemned as being absolutely of no value.

Mr. STILWELL. All right; that clears that.

Mr. RANDOLPH. What page is that?

Mr. STILWELL. Page 11, subsection (b).

Mr. COCHRAN. Again, your previous assertion there, if I understood you right, was you are opposed to the Government taking any surplus property over into a Government agency. Did I understand you to say that?

Mr. STILWELL. That is right.

Mr. COCHRAN. There is no provision in this bill that does that. We make appropriations for Government agencies to buy their needs and when they get surplus property they are not going to be able to buy more than the amount we appropriate for them. I made that very plain to Mr. Wickard this morning, and he admitted it.

Mr. STILWELL. Then I misunderstood it and I think our committee misunderstood it; because, as we read that paragraph, my county could purchase from the Air Corps a dozen road scrapers, at whatever price there is on them, and might have an opportunity to speculate with those road scrapers in selling them to the next county. Is that right?

Mr. COCHRAN. They can buy from the Government.

Mr. STILWELL. Yes.

Mr. COCHRAN. But they are going to have to pay the price.

Mr. STILWELL. We think they should be allowed to buy to the limit of their own use, but not for resale.

Mr. COCHRAN. I am certainly in favor of that. I am not in favor of any State or county going in business.

Mr. WHITTINGTON. A Government agency has no right to engage in the sale of commodities; they can only buy for their own requirements. So it is just discussing a hypothetical situation.

Mr. STILWELL. This is just to make the stipulation more specific.

Mr. CHURCH. So you mean, Mr. Stilwell, that some counties would be buying scrapers for road building?

Mr. STILWELL. I only offer that as an example. It could be done under this bill, could it not?

Mr. CHURCH. Are you a lawyer?

Mr. STILWELL. No, sir.

Mr. CHURCH. Do you know of anything in the law whereby States or counties could go into the business of buying scrapers, except to scrape their own roads?

Mr. STILWELL. No, sir.

Mr. CHURCH. Well is it your idea they should not buy scrapers for their own roads?

Mr. STILWELL. No, sir; to the limit of their essential needs.

Mr. ZIMMERMAN. Did you ever hear of a county or a municipality buying in excess of their own needs?

Mr. STILWELL. No.

Mr. COCHRAN. Did you ever hear of a State highway commission buying 10 or 20 times as much as they need and reselling at an advanced price what they do not need?

Mr. STILWELL. No.

Mr. COCHRAN. You do not know of any county or State engaging in anything like that, do you?

Mr. STILWELL. I never heard of it.

Mr. COCHRAN. My State highway commission would have the right to buy a sufficient amount of highway equipment and have it placed in the counties or in the cities, but as far as the State highway commission buying and reselling such equipment, certainly the State would not stand for that.

Mr. STILWELL. I may have used an unfortunate example. Applied to the schools, the schools can do that.

Mr. COCHRAN. The bill contains a word that disposes of that argument. It says "legitimate needs." The word "legitimate" is before the word "needs." If you will look at the bill you will see that that is the way it reads.

#### POLICIES GOVERNING DISPOSITION (SEC. 12)

Mr. STILWELL. While the committee approves in general the policies set forth in section 12, certain of these policies, in the opinion of the committee, are in need of amplification. Furthermore, the committee feels that several important guides have been omitted.

Subsection 12 (d) should be extended to authorize specific collaboration with industry advisory committees. In order to protect private enterprise from unfair competition it is recommended that no class of surplus property be disposed of without receiving the advice of a



committee representing the industry or industries most directly affected.

Mr. WHITTINGTON. We have a communication from Mr. William Green and he states that labor ought to be represented on those advisory committees. Do you have any objection to that?

Mr. STILWELL. No, sir.

The CHAIRMAN. If you will read section 2, page 2, of the Manasco bill you will find that that is provided for. I am glad to find that somebody has come to agree with my views on that. That bill was introduced on April 15, 1943.

Mr. STILWELL. In addition, it should be specifically stated in subsection 12 (d) that quantities of surplus equipment and supplies released for sale should as far as practicable be in lots which will permit participation by small as well as large manufacturers, wholesalers, and retailers, and any price differentials between large and small lots should be limited to actual differences in cost of handling and distribution.

I have also heard a lot of conversation this afternoon on that subject, but it seems to me that the objection that has been raised can be taken care of by an administrative price policy. We offer this suggestion as a means of taking care of this situation. We see no reason why large manufacturers should have any preferment just because they can buy and finance large purchases, against the fellow who wants to buy one or a dozen, or a bushel.

The committee recommends for insertion in the list of policies governing disposition enumerated in section 12 the provision that Government surplus property disposal agencies should not sell new or unused consumer goods direct to the consumer without first offering the property for sale through the established trade channels, or to the original manufacturer.

In the case of disposal of war surpluses abroad, it is recommended that such property sold abroad be barred from subsequent import into the United States, its Territories, or possessions. The committee feels that such a restriction is necessary to prevent speculators abroad from returning surplus property to this country to undersell the domestic market.

Mr. Chairman, I heard a few minutes ago a question asked by somebody as to the practicality of that. I do not know whether that can be controlled 100 percent or not. I do not know whether you can legislate the possibility of preventing that 100 percent, but we think it should be covered by the law, so far as practicable.

The CHAIRMAN. I asked Mr. Clayton that question yesterday. I asked him if he thought it can be done in this legislation, and if so, to submit an amendment to us covering that point. He has a corps of experts at his disposal to draft legislation.

Mr. STILWELL. Another guiding policy should be the rapid elimination, after they are no longer required for national defense purposes, of all interests acquired by the Government in equipment, facilities and other property situated in private plants so that reconversion of industrial plants may be facilitated and expedited.

## DISPOSITION OF PLANTS (SEC. 13)

The committee recommends three major policies to guide the disposition of Government-owned plants:

1. Since there is no relation between the wartime cost of constructing plants and their future value as a post-war facility, a reasonably determined value for such plants should be made by some measure other than the dollar expenditure of building costs. The committee feels that the wartime cost, including wartime rates and construction costs in inclement weather and at great speed, is an inflated cost, which should not be demanded of industry in negotiating for the sale of plants.

The CHAIRMAN. As I understand Mr. Clayton's proposal, he would have the value of a building fixed as of the day when it is offered for sale, and that would do away with time-and-a-half and overtime and the inflated cost for materials going into the cost of the building.

Mr. STILWELL. 2. In the event of failure by the Government to dispose of plants and facilities to private industry, the Government should refrain from operating such plants in competition with private industry.

Mr. Chairman, I am bringing to you the deliberations of a committee. My personal observation is that it probably would be difficult to insert such a stipulation in law, but we believe in it.

Mr. COCHRAN. In other words, if we sold a plant and the purchaser of that plant was going to engage in the manufacture of articles that are now made, say, at arsenals and navy yards, and we sold that plant for somebody to operate, do you feel that we should dispose of the arsenals and navy yards?

Mr. STILWELL. No, sir; we just mean that surplus plants should not be retained and operated by the Government in competition with private industry.

Mr. COCHRAN. I am in agreement with you there. Surplus plants should not be retained.

Mr. STILWELL. Only surplus plants.

Mr. COCHRAN. What would you do with a plant which will undoubtedly be declared surplus, that cost \$130,000,000?

Mr. STILWELL. It depends on its location.

Mr. COCHRAN. It is right in the city of St. Louis, one of the largest plants for the manufacture of small-arms ammunition in the world. It is operated by the United States Cartridge Co. making small-arms ammunition. What use could a plant of that character be put to? Of course, the \$130,000,000 undoubtedly comes in the classification of what you term inflated value.

Mr. STILWELL. Probably it is inflated value and probably it is of an inflated size for ordinary peacetime operation, but I think the disposal board, over a period of time, can find tenants who will occupy or purchase that plant in whole or in part for peacetime operation.

The CHAIRMAN. Not necessarily for the manufacture of ammunition.

Mr. STILWELL. No; but for the making of medical supplies, or half a dozen other products.

Mr. COCHRAN. That is by private industry?

Mr. STILWELL. Yes.

Mr. COCHRAN. In other words, 50 or 100 different types of industry might contract to buy the place and occupy so much space?

Mr. STILWELL. 50 or 100 is pretty steep, but perhaps 8 or 10.

Mr. COCHRAN. It is a pretty big place.

Mr. STILWELL. I am familiar with it.

Mr. COCHRAN. It is in my district, but unfortunately, due to my illness I have not been able to see it.

Mr. McCONNELL. I know of a plant erected to make certain war products. It is a high-cost plant, air-conditioned, and with special features. The treasurer of the company operating that plant informed me that if it was given to them they could not afford to accept it because the overhead would make it impossible for them to compete in private industry. What are you going to do with such a plant?

Mr. STILWELL. First of all, suppose the armed services say they need it. I do not know whether it is a stand-by plant or not, but they may say that they think it should be held as a stand-by plant for an emergency. I do not know whether that is their idea or not. I do not know the specific answer to that. I could also give you the instance of one plant in the city of Cleveland to which I do not know the answer. Those questions have to be studied by the disposal board.

Mr. McCONNELL. That is a difficult problem.

Mr. STILWELL. It is, and undoubtedly there will be some loss somewhere along the line. The Government cannot continue to keep those plants, paint them and keep them in condition forever.

The proportionate increase over pre-war years in Government-owned plants—and I mean plants which are retained by the United States Government—and equipment and direct Government production should not be greater than the corresponding proportionate increase in the size of the military forces.

Inventory records (sec. 16 (e)): We are completely in accord with subsection 16 (e) providing for the maintenance of adequate inventory records by the disposal agencies. However, the committee recommends that effective immediately all departments or agencies of the Government which possess property acquired for the defense or war efforts should establish plant, facilities, and inventory records of such property.

Mr. Chairman, I realize that is reiterating what has been said before, but we are coming closer to the time when we want to know what this surplus is.

Mr. COCHRAN. Do you not think we should first win the war before we let the people engaged in the prosecution of this war spend too much time doing something else when they should be manufacturing various commodities that we need in the prosecution of the war?

Mr. STILWELL. The people in the plants should not be interfered with at all. But this is inventory that should be made by the purchasing and owning agencies.

The CHAIRMAN. It would be impossible to determine what the surplus really is until the war is over.

Mr. STILWELL. We are asking for inventories.

Mr. ZIMMERMAN. Do you think we ought to spend time making inventories and not making war?



The CHAIRMAN. You cannot make inventories on the battle fronts.

Mr. STILWELL. We are asking for inventories only of plant facilities, such inventory records as are used in manufacture.

The CHAIRMAN. Of course, the War Production Board has inventories of all plants now, which are not made public for security reasons.

Mr. STILWELL. That is fine.

Mr. WOLVERTON. Mr. Chairman, it might be informative for you to know of the conversation that Mr. Zimmerman and I had last evening with an individual whose name I will not mention, but whose standing is above reproach. He informed us that the War Department is doing that very thing, in other words, making an inventory of every conceivable item, manpower, and what not, as we will say, of October 1 and January 1 next, if the war is not over then. They keep that current every 3 months, and I was astounded to know the detail with which they report or survey in making that inventory. Such an inventory is being made by the War Department now. I do not know anything about the Navy Department.

Mr. STILWELL. In conclusion, the committee wishes to urge Congress to lend every effort toward securing prompt passage of equitable legislation setting up organization and defining policies and procedures for the disposal of war surpluses. It is felt that Congress provided the country with an exceptionally good law in the Contract Settlement Act. It is hoped that surplus property legislation will be equally as deserving of praise.

As I say, Mr. Chairman, I think Congress has given us a fine termination law and we would like to get an equally good law for the disposal of surplus property, and we feel that that is very urgent; not that industry for a moment intends to let up in its war effort, but we think we are rapidly approaching the time when we will need such a law for guidance in the matter of this disposal, and industry will need some guide in connection with going from war to peace production and reemployment.

Mr. COCHRAN. You have no objection to the Government selling this surplus property, no matter in what quantity, that cannot be purchased in the general, open market now?

Mr. STILWELL. Certainly not, sir. It ought to be sold as rapidly as it can be.

Mr. COCHRAN. That includes everything, to get rid of it; is that the idea?

Mr. STILWELL. Anything.

Mr. COCHRAN. You have no objection to that at all?

Mr. STILWELL. None whatever.

The CHAIRMAN. As I understand it, you, or your organization, has two main objections to H. R. 5125; that is, the N. A. M. has two main objections to the bill. One is that the Surplus Property Administrator is a Government agency and does not represent industry and the public.

Mr. STILWELL. That is right.

The CHAIRMAN. And also that there is no provision for industry advisory committees in reference to the dumping of surplus.

Those are your two main objections?

Mr. STILWELL. We think if we had industry advisory committees specifically provided for in legislation so that they would be established

and known and it would be known that industry would have representation, that would be desirable. On the other hand, the Administrator or the administrative body would have someone with whom to consult, who would be authorized to speak for industry.

The CHAIRMAN. Mr. Clayton stated to the committee yesterday that he would use industry committees and the disposal agencies would use industry committees because they would not dare to dispose of this property until they had consulted them. Do you think that it would be safer to have that provided for in legislation?

Mr. STILWELL. Yes; the committee thinks so.

The CHAIRMAN. If it were not there we would have to rely on the action of the Surplus Property Administrator in consulting them.

Mr. STILWELL. You have a great long list of commodities, thousands of them, which probably are the product of several industries.

I cannot speak too highly, gentlemen, for the work that Mr. Clayton is doing. I know him personally and have talked with him, but it is almost a human impossibility for any one Administrator to have all that information and do all that work.

The CHAIRMAN. When did your committee reach these conclusions?

Mr. STILWELL. About 2 weeks ago.

Mr. ZIMMERMAN. I would like to make this statement, Mr. Chairman. Mr. Wolverton, Mr. Murdock, and I were on the subcommittee which helped draft the termination-of-contracts bill. You think that is all right?

Mr. STILWELL. Yes; I do.

Mr. ZIMMERMAN. The thing we especially wanted to do was to provide for the final termination of contracts and we wanted to have that authority centralized in one individual and make him responsible. I think Mr. Clayton has done a fine job in what he has done. I think we should put the responsibility on some individual because we all want speed and finality in this matter. That is essential because when this war is over what we want is to get rid of the surplus, a lot of it, in the process of making other things necessary to carry on the peacetime economy of the country. I think the provision for one Administrator, vesting him with complete authority, is the part of wisdom, and then we should hold him responsible.

Mr. STILWELL. May I say one more word? I think there are two different fields.

The CHAIRMAN. Do you not think speed and finality are as essential in this matter as in the other?

Mr. STILWELL. I think in the matter of termination you have largely a problem of finance first, and then you have something of a technical problem in dealing with the surplus inventories, and what, under the contract may be acted upon, but which can be dealt with by the contracting agencies in the armed forces. Somebody spoke of a Sears, Roebuck catalog. But it would take a book three or four times as thick as that catalog to catalog all of this stuff.

Mr. ZIMMERMAN. Do you know how many contracts and subcontracts we have entered into?

Mr. STILWELL. I do not know exactly, but I have heard it is a good many thousand.

Mr. ZIMMERMAN. It is worse than that.

Mr. COCHRAN. You said you are satisfied with the bill providing for the termination of contracts. What about the set-up there?

Mr. STILWELL. I think it is O. K.

Mr. COCHRAN. You have an administrator there.

Mr. STILWELL. Yes.

Mr. COCHRAN. Would you get rid of Mr. Hinckley and set up a board there?

Mr. STILWELL. No; I just finished trying to describe or saying that those are in different fields. I think one is much more extensive than the other.

Mr. COCHRAN. Which is the more extensive?

Mr. STILWELL. They are big enough.

Mr. WHITTINGTON. Mr. Chairman, I wonder if we want to make a part of the record any of the reports we have?

The CHAIRMAN. I have asked that all reports be incorporated and also statements from heads of departments commenting on the bill, and the statement of Mr. William Green, and any others. Without objection all such statements will be incorporated in the hearings.

Mr. WHITTINGTON. I think that should be put in the record.

Mr. STILWELL. Yes.

Mr. WHITTINGTON. Here is a statement from Admiral Land.

The CHAIRMAN. All of those statements will be incorporated in the record.

Mr. WHITTINGTON. There were several gentlemen, among others General Clay, of the Army Service Forces, who spoke to me because I have been in contact with them before, and I suggested that they give me statements to be incorporated in the record instead of asking permission to come before the committee. I understand that the Navy Department is satisfied with the statement of Captain Strauss and the letter of the Secretary of War. They said they were satisfied with everything except section 7, a certain part of which we have agreed to eliminate.

I would like to have permission to insert in the record a statement by Gen. Lucius D. Clay, in which he concurs with the recommendation of the Secretary of War, asking that section 7 be eliminated.

The CHAIRMAN. Without objection, that permission will be granted.

Mr. Stillwell, we appreciate very much your coming before the committee this afternoon and thank you for your statement.

Mr. STILWELL. Thank you very much, Mr. Chairman.

(The statement referred to by Mr. Whittington is as follows:)

STATEMENT OF MAJ. GEN. LUCIUS D. CLAY, DIRECTOR OF MATÉRIEL, ARMY  
SERVICE FORCES

Mr. Chairman, except for a single provision of H. R. 5125 there would have been no necessity for the appearance of any witness at this hearing on behalf of the War Department. The bill embodies the recommendations made by Mr. Clayton in which the War Department fully concurs. However, there is one provision in H. R. 5125 which did not appear in the recommendations of Mr. Clayton. That provision is contained in the last sentence of section 7 (a) which empowers the Administrator, after the cessation of hostilities, to find on his own initiative that any property is surplus to the needs and responsibilities of an owning agency and to require that agency to declare the property surplus. In the opinion of the War Department, this provision presents an issue which is so fundamental that we would fail in our duty to this committee if we did not make a full statement of our views on this point.



In time of peace as well as in time of war, the armed services are charged with the defense of the Nation. Within the limits of appropriations made by the Congress, it is their duty to acquire and maintain the supplies and equipment essential to protect the Nation against armed attack. In modern warfare the performance of this assignment involves immensely complicated determinations, requiring expert knowledge frequently based on secret information. It seems to us that it would be manifestly impossible for anyone to determine the quantities and types of matériel and equipment which are necessary for the fulfillment of the responsibilities with which the armed services are charged unless he has access to all military plans and programs and all the secret information which may be available through military or other channels. If we are talking about tanks and guns the proposition requires no argument, but the same thing holds good for other items; clothing and gasoline, for example. What stocks of these items are needed cannot be determined without a full knowledge of the missions which the armed services may be called upon to undertake.

The Surplus War Property Administrator should not be directed to substitute his judgment for that of the Secretary of War in a field which is the primary responsibility of the War Department. He cannot have the knowledge of current developments in military science, of strategic plans, or of the changing scope of training requirements sufficient to enable him to make sound decisions as to the types and quantities of equipment which are required at any given time to meet the responsibilities with which the military services are charged.

The policies and programs developed by the military departments are submitted to, and approved by Congress in the appropriation acts. When approved by Congress, the programs must be carried out by these agencies. The authority of the War and Navy Departments to administer their programs under the control of Congress will, in effect, be nullified if the Surplus War Property Administrator were given the power to require these departments to dispose of property acquired by them with appropriated funds for the carrying out of their programs.

By urging the elimination of this provision the armed services are not demanding the right to accumulate property without limit. As a matter of fact, the accumulation of supplies and equipment by the armed services is subject to the most rigid type of control, through the limitation of appropriated funds. As long as Congress holds the purse strings, there can be no danger of wasteful accumulation by the armed services of supplies and equipment in time of peace. History proves that this is one danger which we have no cause to fear.

For these reasons we suggest the elimination of the last sentence in Section 7 (a) of the proposed bill. However, in order to furnish an additional safeguard against arbitrary failure of owning agencies to declare property surplus it is suggested that the following sentence be substituted in place of the stricken matter:

"If the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives."

The CHAIRMAN. Mr. Murdock desires to make a brief statement to the committee and we will be glad to hear him at this time.

#### STATEMENT OF HON. JOHN R. MURDOCK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. MURDOCK. Mr. Chairman, I have been out of the city for some weeks on important official business and I would like to make a short statement on the record at this time, if I may, and I will appreciate permission to do that.

The CHAIRMAN. The committee will be glad to hear the gentleman at this time.

Mr. MURDOCK. There is one word I wanted to say at this point, and that is that I am on the committee of which the gentleman from Mississippi, Mr. Colmer, is chairman, and the members of that committee have been giving this matter considerable study in this preliminary form before it was presented to your committee.

I questioned William L. Clayton at the time he was before the Colmer committee in regard to the disposal of surplus Government property and found it was his great idea to prevent speculation, to safeguard the Federal Treasury, and to prevent smothering of industry by dumping these consumer goods on the market and preventing manufacturers of similar goods from going on with their legitimate business. It seems to me it would be well if, in disposing of these consumer goods, you could make a distinction between consumers.

We want to prevent speculation. If goods are disposed of to private individuals, or for resale, that is one thing. But these goods, having been declared surplus have already been bought by the taxpayers' money and paid for. Therefore, Mr. Chairman, it seems to me we ought to make a distinction in the cases of the purchasers who are tax-supported units.

Schools were mentioned. That is a subject that is very dear to my heart. Hospitals and public-health service units were mentioned. I think any bill we pass should make special provision for the disposal of these surplus consumer goods to these tax-supported units at a lower rate than to general consumers, to private parties, or for resale.

Mr. WHITTINGTON. We have priorities under the terms of the bill.

Mr. MURDOCK. I would give them special consideration also. When we passed the bill providing for the liquidation of the N. Y. A., the N. Y. A. had a lot of equipment in the schools. In that case we gave the Army and the Navy first priority and the schools second priority. But that was during war and the Army and Navy at that time had first claim.

But we are now talking about disposal of surplus property after the war. I agree with Mr. Voorhis that schools having this equipment, and having had it in peacetime should be given every possible consideration in securing these goods.

Mr. RANDOLPH. Under section 11 of the bill, subsection (b), you have, I think, a provision that is broad enough to meet your purpose in connection with educational institutions.

Mr. MURDOCK. That may be.

Mr. RANDOLPH. I am sure the committee is sympathetic with your idea, but I think you will find that that is provided for in section 11 of the bill.

The CHAIRMAN. Thank you for your statement, Mr. Murdock.

Mr. MURDOCK. Thank you, Mr. Chairman.

(Thereupon, the committee proceeded to the consideration of executive business, after which it adjourned, subject to the call of the chairman.)

(Following are the reports of various Government agencies and interested business and industrial organizations on H. R. 5125. The War and Navy Department reports will be found in the report of the committee on the bill.)

STATEMENT OF GEN. PHILIP B. FLEMING WITH REGARD TO H. R. 5125, A BILL TO PROVIDE FOR THE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY AND PLANTS, AND FOR OTHER PURPOSES

On June 20, 1944, I appeared before the Special Committee on Post-war Economic Policy and Planning and at that time stated the position of the Federal Works Agency with regard to legislation for the disposal of surplus Government property and plants. That statement, included on pages 49, 50, and 51 of the hearings, is applicable to the proposed legislation under discussion and I see no need to repeat those statements since they are a matter of record.

I should like to bring out one additional point. There has been included in the proposed legislation the following statement on page 7, section 7 (a), which was not in the legislation being discussed on June 20:

"For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require such a determination upon a finding by him that any property is surplus to the needs and responsibilities of an owning agency."

I am opposed to this added provision because it would inevitably create overlapping of authority. This language placing the responsibility for determining surplus with an individual other than the head of the agency makes it possible for that individual to completely stop programs authorized by Congress by his mere administrative action of declaring the property, equipment, and supplies of the agency surplus. I realize that under a Surplus War Property Administrator, such as Mr. Clayton, this is not likely to happen, but the creating of dual responsibilities for a given function inevitably leads to confusion. After all, the head of every department and agency is responsible to the President and to the Congress for his administration, and if we have surplus property which we fail to declare surplus the President and the Congress have ways of dealing with us. I firmly believe that if an individual is responsible for operating an agency he must also have the responsibility for declaring surplus the property not necessary for the operation. I would therefore recommend deletion of the above-quoted sentence.

With the issuance of Surplus War Property Regulation No. 1 and, more recently, supplement No. 1 to regulation No. 1, I feel that Mr. Clayton has set the pattern of operation which in our opinion is sound and practicable and which can be continued under the legislation as proposed. The Federal Works Agency can carry on both its activities in connection with disposal of surplus property and the acquisition of surpluses necessary for its normal function as the construction agency of the Federal Government on a sound basis under these regulations and under this legislation. Subject to the recommendation regarding the deletion of the sentence in section 7 (a) it is our recommendation that the legislation be favorably considered.

COMPTROLLER GENERAL OF THE UNITED STATES,  
Washington, August 9, 1944.

HON. CARTER MANASCO,  
*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives.*

MY DEAR MR. CHAIRMAN: At your informal request, I herewith submit a supplemental report on bill H. R. 5125, Seventy-eighth Congress, entitled "A bill to provide for the disposal of surplus Government property and plants, and for other purposes."

Under date of July 17, 1944, this office made a report to you on the subject bill and two other bills relating to the disposition of surplus property. With respect to the bill H. R. 5125, it was stated, in substance, that inasmuch as the bill apparently related only to such temporary surplus of property as may accumulate during the period of the present war, this office would prefer more permanent and comprehensive legislation such as H. R. 2795, which had passed the House of Representatives. However, it is understood now that the Congress may desire to enact promptly some such temporary legislation as H. R. 5125, leaving for subsequent consideration permanent legislation relating to surplus Government property.

The objectives of the bill H. R. 5125 as set out in section 1 thereof are as follows: "SECTION 1. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

"(a) to assure the most effective use of such property for the purposes of war and national defense;

"(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

"(c) to promote production, employment of labor, and utilization of the productive capacity, and the natural and agricultural resources of the country;

"(d) to avoid dislocations of the domestic economy and of international economic relations;



"(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

"(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

"(g) to effect broad and equitable distribution of surplus property; and

"(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy."

Briefly, the bill would establish a Surplus Property Administration headed by a Surplus Property Administrator who shall "have general supervision and direction over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies"; also, it would (1) create a Surplus Property Board composed of specified heads of executive departments and other Government officials, or persons designated by them, to advise and consult with the Administrator; (2) provide for disposition of property by an owning agency under certain conditions (section 8); (3) provide that the Administrator shall designate one or more Government agencies as disposal agencies (sec. 9); (4) provide for transfers of property between Government agencies (sec. 10); (5) authorize donation of property to Government-supported institutions or educational or charitable organizations, or the destruction of property, under specified conditions (sec. 11); (6) outline policies governing the disposition of surplus property (sec. 12); (7) retain the effect and applicability of the antitrust laws as they may be applicable to the acquisition of property under the proposed legislation (sec. 13); (8) prescribe special requirements relative to the disposition of Government-owned plants for the production of synthetic rubber or aluminum (sec. 14); (9) authorize the Administrator to prescribe regulations to effectuate the provisions of the act (sec. 15); (10) provide for disposition of the proceeds from any transfer or disposition of property under the proposed legislation (sec. 17); (11) authorize the use of appropriated funds in the disposition or acquisition of surplus property (sec. 18); and (12) provide that the proposed legislation shall become effective from date of enactment and, unless extended by law, shall expire 3 years after the end of the present war.

There are not apparent to this Office any serious objections to the provisions of the bill H. R. 5125. Although it would bestow on the Administrator a rather large measure of discretion, such discretionary authority appears appropriate to the situation foreseen with respect to surplus property after the end of the present war. The proposed provisions relative to the use of appropriated funds and the disposition of proceeds from any transfer or disposition of property are thought to protect adequately the interests of the United States, with the possible exception of the language of subsection 17 (b). Said subsection apparently is intended to authorize the owning agency to deduct from the proceeds of the authorized transfers or dispositions only such expenses incurred for the care, etc., of the involved property as may have been paid from or as may be chargeable to appropriated moneys—such deduction being for the purpose of reimbursing "the fund or appropriation bearing such expenses"—and not to authorize the use of such proceeds to pay expenses incurred for the care, etc., of property which would not in the first instance be payable from appropriated moneys. To avoid the possibility of an interpretation which would permit the owning agency to receive the proceeds of property and pay such proceeds out directly as expenses without being reflected in the pertinent accounts as receipts and expenditures of Government funds, I suggest that there be inserted in lieu of the words "and may" in line 10, page 18 of the bill, the following words "the amounts so deducted to be used only to." If so amended, the said subsection 17 (b) would require that all such proceeds be shown as receipts of Government moneys and all expenses for care, etc., be shown as expenditures of Government moneys, thereby insuring that the proceeds of all such transactions would be subject to audit as Government moneys.

Other than as above suggested, I have no recommendation to make relative to the enactment of the bill H. R. 5125.

Sincerely yours,

LINDSAY C. WARREN,  
*Comptroller General of the United States.*

## STATEMENT BY VICE ADMIRAL EMORY S. LAND, CHAIRMAN, UNITED STATES MARITIME COMMISSION, RELATIVE TO H. R. 5125

This is in response to your request for comments on the bill, H. R. 5125, regarding the disposal of surplus Government property and plants.

In general, the bill appears to be highly satisfactory and designed to permit the disposal by the agencies best qualified thereof of surplus war property in accordance with the coordinated plan. Details of the general provisions of the bill have been discussed at length by the Surplus War Property Administrator and I feel that little can be added to his comments. I should, however, like to comment particularly on two aspects of the bill.

Subsection (a) of section 7 of the bill would apparently permit the Administrator to determine what property was surplus to the requirements and responsibility of any agency of the Government, including the War and Navy Departments and the Maritime Commission. Thus the Administrator rather than the various heads of Departments would be in a position to determine what equipment and supplies should not be held for the purposes of national defense. Such provision would appear to be highly objectionable in that it might allow an agency of the Government which has no specialized knowledge of defense and shipping requirements to require the disposal, as surplus property, of ships, equipment, and supplies which might, in the opinion of the department authorized by the law to make provisions for the national defense or shipping, be needed for such purposes. It is probable that the course of the present war might have been different had the naval and merchant vessels which were laid up prior to the outbreak of the war in Europe not been available for use by our own Government and those of the other United Nations.

The importance of the proviso contained in subsection (a) of section 9 of the bill should be emphasized. The disposal of merchant shipping involves problems which differ radically from those in respect to ordinary consumer and producer articles. The chief point of difference is that the United States will probably own, after the war, a major portion of the world's supply of merchant shipping and that such shipping if sold for foreign flag operation will in many instances compete directly with American-flag ships.

An important item of the expense of running a line of ships is interest on the capital invested in such ships. If adequate prices are to be obtained for the ships sold by the Maritime Commission in the post-war period some assurance will have to be given to the purchasers that the market will not be later glutted by the huge supply of shipping which the Government will own. No ship operator will be willing to pay, say \$1,500,000 for a ship if he thought there was a possibility that a competitor or a prospective competitor might purchase the same type of ship at a later date for a few hundred thousand dollars. This possibility will exist, however, unless a floor is put under the sales price of ships for American-flag operation.

The sale of ships for foreign-flag operation, unless made in accordance with a carefully considered plan, might result in serious injury to the American merchant marine since the ships so sold can compete directly with American-flag ships engaged in foreign trade. Where a production tool is sold abroad the products manufactured by the use of such tool can only compete in the American market with American-made products in those cases where it is possible to manufacture at a cost sufficiently low to enable the inclusion in the sales price of the product of tariff and transportation charges. A ship, however, sold for foreign-flag operation may compete in trade between American and foreign ports with American-flag ships on an equal footing. The sale of ships for foreign operation will, therefore, directly affect the competitive position of American-flag operators.

The foregoing are merely illustrative of some of the special problems of the disposition of merchant shipping which include not only those of a commercial character but also include questions which will have a considerable effect on our foreign relations. Such problems have been pointed out not for the purpose of recommending any specific legislation but merely to emphasize the fact that the disposition of merchant ships does not fall into the category of the disposition of surplus property.

The Senate Commerce Committee and the House Merchant Marine and Fisheries Committee have, over a period of years, given careful study to the problem of merchant shipping and as a result of legislation sponsored by such committees the outbreak of the war found the United States with a nucleus of a merchant marine and shipbuilding industry which proved of invaluable aid in the war effort. The House committee is at the present time considering a bill in respect to the

sale of Government-owned merchant ships, H. R. 4486. Extensive hearings have been held on such bill at which representatives of industry, labor, and this Commission have been heard. In its present draft the bill establishes appropriate minimum prices for war service vessels with a view to avoiding a break-down of the policy established by Congress under the Merchant Marine Act, 1936. Whether or not such bill meets with the approval of Congress, it is my belief that the disposition of merchant shipping should be the subject of specific legislation enacted by Congress after consideration of the economic, defense and international aspects of the problem.

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STATEMENT RELATIVE TO THE PROPOSED SURPLUS PROPERTY ACT OF 1944, BY  
E. L. OLRICH, ASSISTANT TO THE SECRETARY, TREASURY DEPARTMENT

The Treasury Department, Procurement Division, is now functioning as a disposal agency under the Executive order. If we are so designated by the Administrator under this proposed act, the Procurement Division of the Treasury Department believes it can function effectively and satisfactorily under its framework. The Treasury Department approves this bill in general. The Treasury Department participated in discussions leading to the formulation of this proposed legislation.

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CHAMBER OF COMMERCE OF THE  
UNITED STATES OF AMERICA,  
Washington, August 9, 1944.

In re: H. R. 5125.

Hon. CARTER MANASCO,

*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives, Washington, D. C.*

DEAR SIR: The bill now before your committee by Representative Colmer, H. R. 5125, would provide a basis in legislation for the disposal of great Government-owned war plants and real estate no longer needed for purposes of national defense and of vast quantities of surplus supplies that will occur at the close of hostilities.

The Chamber of Commerce of the United States believes that a procedure of orderly and efficiently administered handling of war surpluses is the only one which can be countenanced in contemplation of the huge magnitude of such surpluses and the great need that will exist for the prompt resumption of civilian production on an adequate scale to facilitate our transition from war to peace. These surpluses must be so demobilized as to preserve the stability and productivity of the national economy and avoid unnecessary interference with the maintenance of a high level of private employment.

In view of the foregoing considerations the chamber attaches great importance to the content of the legislation to be enacted by the Congress. The chamber has given long and careful consideration to the subject. Its recommendations were developed by a large and representative committee of business and industrial executives following many months of study and discussion. A list of the members of this committee is appended.

Some of the chamber's proposals for legislation are provided for in H. R. 5125. Other significant proposals have not been incorporated which the chamber believes should be given serious consideration. The following discussion is devoted primarily to these proposals.

#### ADMINISTRATIVE ORGANIZATION

The bill, H. R. 5125, would provide for a Surplus Property Administrator, and he would have general supervision and sole direction over the disposal of surplus property except with respect to the disposal of certain aluminum and synthetic rubber plants.

There would be, also, a surplus property advisory board composed of representatives of 15 designated Government departments and agencies. The sole purpose of this board would be to advise and consult with the Administrator.

#### *Independent agency.*

The chamber recommends that responsibility for (1) the interpretation of the policies laid down by Congress in the legislation; (2) the promulgation of procedures to be followed in disposal; and, (3) general administrative action based



upon these policies and procedures should be the responsibility of an agency outside of any executive department of the Government and responsible to Congress in the carrying out of the will of the Congress. The problems that will be confronted in surplus property disposal when hostilities cease will be so complex and have such far-reaching effects upon the domestic economy that nothing short of such an independent agency will meet the needs of the situation.

The agency recommended by the chamber would be a commission of seven full-time members to be nominated by the President and approved by the Senate, each member to have had at least 5 years' industrial or merchandising experience.

The fact that an independent commission is recommended does not carry with it the implication that every administrative decision would depend upon and await the affirmative vote of the seven members of the commission. In the execution of its functions as a policy-making body the commission would act as a unit. With respect to some administrative decisions of far-reaching effect the commission would also act as a unit. For example, there will be numerous manufacturing plants which cost the Government many millions of dollars. Each case will require careful study before a sound decision can be reached as to whether the plant shall be sold or demolished. Decision with respect to the disposal of these plants would be reached by the entire commission following the study of carefully prepared reports devoted to the engineering and economic factors involved.

With respect to most administrative matters, however, the chairman would be authorized to act upon his own responsibility. He would be empowered also to delegate administrative authority in the same manner as is contemplated by H. R. 5125 which would authorize the designation of "disposal agencies."

#### *Advisory board*

The surplus property advisory board, which would be established by the bill, would not be a satisfactory substitute for the commission which the chamber recommends. The board, as stated heretofore, would be composed of representatives of 15 designated Government departments and agencies.

The members of such a board would be officials concerned with the operating problems of their particular departments and thus, in most cases, out of intimate touch with the problems of industry and trade in a peacetime economy. Moreover, the department representatives would devote but a small part of their time to the matters laid before the advisory board. In short, there would be no assurance that such an advisory board would be composed of persons adequately equipped for the rendering of the sound advice that would be needed on the solution of difficult economic problems.

It is recognized, however, that there would be a place for such a board composed of representatives of Government departments. Such a board would serve a very useful purpose in connection with the establishment of administrative procedures.

#### *Industry advisory committees.*

The Chamber recommends that specific industry advisory committees be authorized by the act of Congress to be appointed by the commission after consultation with each industry as to their composition. The act should specify that advisory committees must be truly representative of the recognized functions in production and distribution. Its members should be from large and small units with due recognition for geographic considerations.

There is no provision in the bill, H. R. 5125, for the establishment of advisory committees. While it is probable that the Administrator would consult with representatives of industry from time to time, the bill, as now written, would not require him to take this step. The omission of this provision is unfortunate.

In providing for advisory committees in the legislation, it would seem desirable to make provision similar, perhaps, to that contained in the Smaller War Plants Corporation Act of June 11, 1942 (56 Stat. 357), so that members of advisory committees in the exercise of the duties assigned them by the surplus property disposal agency would not be inhibited in the rendering of advice by fear of prosecution under the antitrust laws.

#### BASIC PRINCIPLES AND POLICIES

The chamber recommends that the legislation should establish basic principles and policies to guide the commission in the conduct of its operations. The bill H. R. 5125 does not go as far with respect to the statement of underlying principles and policies as the chamber considers desirable. This is particularly the

case with respect to principles to be followed in connection with the disposal of government-owned war plants, real estate, and other facilities.

*Disposal of plants and real estate.*

The law should require that decision be made at the earliest possible moment as to which plants and equipment, other facilities and real estate must be retained for essential military purposes. The remainder should be earmarked for orderly demobilization to private industry, and such plants and other facilities as are not suitable for such disposal should be scrapped.

The disposal of plants and other facilities and real estate should be handled in such a manner as to encourage competitive efficiency on the part of private industry. In this disposal, the welfare both of the Nation and of the locality should be taken into consideration, but in no case should any particular locality or enterprise be subsidized or given any preferential advantage at the expense of taxpayers generally or in any other manner.

It will be a natural desire of communities and of their representatives in the Congress to preserve for those communities great Government-owned manufacturing plants, even though the Surplus War Property Commission may know that engineering and economic studies reveal that the preservation of such plants is not in the public interest. Pressure from any source for the utilization or disposal of Government-owned war plants in a manner which is not in accord with broad public interest must be resisted. It is the belief of the chamber that an independent commission, constituted as described, is the agency which will give the best assurance of unbiased and competent decision.

*Disposal of surplus supplies in the United States.*

The chamber believes that the underlying objective in the disposal of surplus war supplies that are located in the United States should be their economic use in this country or their disposal abroad for the ultimate benefit of the American economy. This should be accomplished with a minimum disruption of production and trade and with the least practicable interference with normal employment.

Surplus supplies should be disposed of as rapidly as consumers demand such goods during the period which must elapse before normal production can be resumed. On the other hand, the sale of surplus supplies should not be pushed at a time when business generally is uncertain or declining. Such a course might induce or accentuate a depression.

Quantities of surplus supplies and materials released for sale should be in lots which will permit participation by small as well as by large manufacturers and retailers, and any price differentials between large and small lots should be limited to actual differences in cost of handling and distribution.

So far as practicable, surplus supplies and materials should be redistributed by the industry that produced and distributed them.

These recommended principles and policies appear to be adequately reflected in the provisions of H. R. 5125. It is appropriate, however, to refer again to the recommendation respecting industry advisory committees. As has been stated, these committees should be appointed for the various industries with provision for appropriate subcommittees for important branches of each industry.

The commission or its individual members should convene industry advisory committees from time to time; lay before the committees all the facts respecting the surplus supplies within the cognizance of the committees, including information as to grades, qualities, condition and locations of the inventories; and solicit the advice of the committees on the manner and time or times of disposal.

These requirements might well be stated in the law because, as the chamber believes, the disposal of surplus supplies will then take place in the most orderly and effective manner with the least disturbance to production and trade and a minimum interference with employment.

*Surplus supplies held abroad.*

The bill makes no provision with respect to special problems that will be confronted in connection with the disposal of surplus supplies and facilities which will be located in many places all over the world. The surpluses in question are those which are competitive with the products of the United States and not to supplies, notably raw materials, which have been bought for use in the United States.

The Chamber recommends that the surplus property legislation should specify that such surpluses be disposed of abroad so far as possible. In the disposition of such surpluses consideration should be given to the economic conditions in particular markets and to the interests and rights of American enterprise in the

resumption and distribution through normal channels in the respective countries. Such surpluses disposed of abroad should be debarred from subsequent import into the United States.

Very truly yours,

T. W. HOWARD,  
*Secretary, Surplus War Property Committee.*

SPECIAL COMMITTEE ON UTILIZATION OF WAR PLANTS AND SURPLUS PROPERTY  
OF THE CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON

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STATEMENT OF THE AMERICAN FEDERATION OF LABOR RE H. R. 5125

(By William Green, president, American Federation of Labor, August 9, 1944)

The American Federation of Labor is in complete agreement with the necessity for the establishment of some Federal authority to provide for the disposal of certain surplus Government property and plants in the post-war era, and with the general objectives, principles and procedures to accomplish this end set forth



in the bill introduced by Representative Colmer in the House and Senator Johnson in the Senate. It is obvious that, with a possibility that billions of dollars' worth of governmental plant facilities, equipment and products will remain undisposed of at the end of the war, some means must be provided, through the Government, of making the necessary disposal of these properties. Such disposal must, of course, seek to obtain the highest possible return for the Government, the most effective use of plant facilities, and the advancement of our economy generally, but must avoid dislocations of established businesses and impairment of employment opportunities. On the one hand, the hasty or ill-considered flooding of the markets with surplus commodities could, and undoubtedly would, create serious employment dislocations, and, on the other hand, the use of existing government-owned plant facilities for the production of widely needed civilian goods can afford employment opportunities for the returned soldier and the displaced war worker.

It cannot be denied that the distribution of surplus goods and the granting of the use of governmental plant facilities to private enterprise can and should be done only in the exercise of great care that the interests of all who might be affected thereby are protected—the worker, in his employment opportunities; the businessman, in his ability to operate at a reasonable profit; the farmer, in making available to him agricultural implements, together with an adequate market for his produce; and finally the public, in that the entire domestic economy is maintained at a level which permits full production and use of plant facilities and full employment opportunities, together with the highest possible return to the Government for the disposed of property. It is important, then, that extreme care and caution be utilized in the disposition of surplus materials, goods and plant facilities, and that in such disposition the interests of those directly affected by consulted.

It is with this primary thought in mind that the American Federation of Labor suggests and urges that the function and duty of disposing of governmental surpluses be placed not in the hands of a single administrator, as the present bill proposes, but in the hands of a four-party Board, composed of representatives of business, labor, agriculture, and the public, headed by a chairman, who is to be selected from one of the public members. It would appear that in this way, and in this way only, could adequate protection be afforded to all interests that might be affected by the disposition of surplus materials, and that through such a Board alone could ways and means of disposing of such surplus commodities best be evolved. Aided by the benefit of the advice and counsel of representatives of those portions of society most directly affected by any given distribution of surplus goods, it can reasonably be assured that the distribution will be accomplished by methods most consistent with the public good and least disruptive of the over-all economy.

Accordingly, the American Federation of Labor urges that the present bill be amended so as to remove the supervision and direction of the disposition of surplus property from the hands of a single administrator and place that supervision and direction in the hands of a Presidentially appointed board, consisting of representatives of the public, of industry, of agriculture, and of labor. In addition, the American Federation of Labor urges that the objectives of the bill as contained in section 1, and the policies governing disposition as contained in section 12, be further clarified and illuminated by the addition of a provision which will assure of an intention to foster and not to discourage or impair post-war employment opportunities in the disposition of surplus properties.

Specifically, the American Federation of Labor suggests that section 3 (a) of the bill be amended to read as follows:

"SEC. 3. (a) There is hereby established a Surplus Property Board, which shall be headed by a Chairman. The Board shall consist of eight members appointed by the President, by and with the consent of the Senate, who shall receive compensation at the rate of ----- per year, and shall serve for a term of ---- years. Two of such members shall be selected as representatives of the public, two from industry as representatives of industry, two from agriculture as representatives of agriculture, and two from labor as representatives of labor. The Chairman shall be selected from the public members. A majority of the Board shall govern in the making of decisions and in carrying out the policies and purposes of the Act."

Subsection (j) of section 2 will be stricken, and in its place will appear the following:

"(j). The term 'Board' means Surplus Property Board."

Wherever the term "administrator" appears in the present act, it shall be stricken and in its place shall be substituted the term "Board", and in place of the

references to the administrator of "he", "his", or "him" shall be substituted the reference "it" or "its".

Finally, a new subsection should be added to Section 1 (to be inserted between subsections (d) and (e) as subsection (e), the remaining subsections to be renumbered to follow) which subsection will read as follows:

"(e). to avoid impairment of or disruption to post-war employment opportunities, and to encourage such opportunities."

And a new subsection shall be added to section 12 (to be inserted between subsections (c) and (d) as subsection (d), the remaining subsections to be renumbered to follow), which subsection will read as follows:

"(d). to encourage and foster post-war employment opportunities."

With these amendments, the American Federation of Labor is heartily in accord with H. R. 5125, and thoroughly endorses it.

STATEMENT OF JAMES MOORE, ACTING EXECUTIVE SECRETARY, NATIONAL LEGISLATIVE COMMITTEE, THE AMERICAN LEGION, BEFORE THE COMMITTEE ON EXPENDITURES IN EXECUTIVE DEPARTMENTS, ON THE BILL, H. R. 5125, TO PROVIDE FOR THE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY AND PLANTS

Mr. Chairman and members of the committee, in the absence of Mr. Francis M. Sullivan, executive director, national legislative committee, the American Legion, who is away from the city, I desire to record the American Legion's opposition to section 3 (b) of H. R. 5125, introduced by Representative Colmer, which states in part:

"The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel without regard to the provisions of the civil-service laws and the Classification Act of 1923 \* \* \*"

The American Legion objects to that language and requests that it be stricken from the bill and the following language substituted in lieu thereof:

"(b) The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel only in accordance with the provisions of the civil-service laws and the Classification Act of 1923 \* \* \*"

This latter is in keeping and consistent with the long-time policy of the American Legion adopted at each national convention since 1937, which reads as follows:

"Urge a rigid enforcement and extension of civil service to all positions of the Federal, State, and municipal services with adequate preference for veterans."

If there was ever a time when veterans' preference should not be relaxed, but on the contrary where both the need and the justification for it is commanding, it is in all these matters having to do with post-war planning.

Therefore, we of the American Legion urgently request that the language presently in section 3 (b) of H. R. 5125, lines 19 to 22, page 4, be stricken and the language recommended by our organization be substituted.

DISPOSAL OF GOVERNMENT SURPLUS PROPERTIES AND MATERIALS IN RELATION TO PUBLIC EDUCATION

(Statement submitted to the House Committee on Expenditures in the Executive Departments by R. B. Marston, director, legislative and Federal relations division, National Education Association, August 9, 1944)

PROPOSAL

In the disposal of war surplus properties and materials appropriate for educational use the National Education Association requests favorable consideration of the proposal that such properties and materials be transferred without cost to tax-supported schools, colleges, and universities. Like consideration is requested, in the event such disposal cannot be extended privately supported and privately controlled education, for the proposition that educational institutions in this category be authorized to purchase surplus materials at nominal costs.

QUANTITY ASPECTS OF SURPLUSES

The proposition that surpluses having educational use should be transferred without cost is based in large part upon the belief that in many kinds of materials the quantity will be of such magnitude that it cannot all be disposed of through



sales without possible grave injury to our economy, resulting in cut-backs in production and consequent reductions in employment.

It is particularly these surpluses beyond sales to which the proposal of the National Education Association is intended to apply. To this there is one exception, viz, surpluses that could appropriately be applied to the replacement of materials and supplies which have depreciated in a marked degree, or been entirely consumed, by the war effort of our schools, colleges, and universities.

The magnitude of expected surpluses, while not subject to exact definition as far as information available to the National Education Association is concerned, is estimated to range somewhere between 50 and 112 billions of dollars. This is in pronounced contrast with surpluses that existed at the close of World War I. On November 12, 1918, the estimated value of surpluses was reported as six billions of dollars, up to that time the largest surplus stock pile ever accumulated in the history of the world. This war is on a vaster scale. Its demands in terms of materials and supplies are without parallel.

#### NATURE OF EDUCATIONAL SURPLUSES

Many of the surplus items will have their most direct use in the field of education.

Among these are school desks, folding chairs, blackboards, paper, books of many kinds—textbooks and library books—chemicals usually employed in the chemistry laboratories of high schools and colleges, experimental equipment for physics laboratories, visual aids such as projectors and many films that are of educational value, duplicating machines, first-aid items such as bandages and antiseptics, shop equipment, such as lathes, saws, and the like, with quantities of supplies employed in teaching welding, the metal trades, electro-dynamics, aero-dynamics, automobile mechanics, radio, food processing, and so forth. It is likewise proper to note that in many phases of the educational program of the armed services, transportation equipment has been acquired and employed, much of which would be equally useful in the operation of the public schools of the Nation.

The foregoing are examples of surplus equipment and supplies which have been acquired in large quantities by the armed services for educational purposes. Similar items, not acquired by the armed services for immediate instructional service, but employed under actual combat conditions, would have equally direct and important applications in the on-going educational program of the Nation's schools.

#### PYRAMIDING OF SCHOOL NEEDS

Meanwhile the war period has witnessed one of the most rapid accumulations of school needs in the history of our country.

In the first place, the effort made by the schools in training 9,000,000 workers for war jobs has been costly to existing school plants and their equipment. In many instances schedules have been operated on a 2-, 3-, and even 4-shift basis. Around-the-clock programs have not been uncommon particularly in school shops. Some estimates that have been made in the case of round-the-clock programs indicate that the wear and tear in specific instances on plant and equipment was multiplied from 4 to 10 times of normal usage. This has resulted in a rate of deterioration without precedent in the history of public education. It is also true that school supplies on hand at the beginning of the war period have in a great many cases been depleted in support of national service.

In the second place, the system of priorities necessarily embodied in the war effort has prevented boards of education and the governing bodies of colleges and universities from making normal replacements from year to year. The school-bus fleet of the Nation is fast approaching the end of its usefulness. Commerce classrooms are filled with typewriters that cannot much longer be kept useful through repair.

The result of the operation of these two factors—(1) excessively rapid depreciation and (2) priorities—has been an accumulation of schools' needs of critical magnitude, worthy of the most sympathetic understanding and careful consideration of Federal Government.

#### LAG IN SCHOOL REVENUES

Throughout the Nation the most widely employed base for school support is real estate. It is a matter of common knowledge that the tax value of real estate has not increased in proportion to rising school costs. This means that the fiscal ability of boards of education has relatively decreased in recent years.



With relatively less to spend, education has been compelled to invest larger sums in personal services. Teachers' salaries, while still greatly in arrears of the mounting cost of living, have increased approximately 10 percent over the war period. Wages of maintenance employees have gone up. The cost of such supplies and materials as have been available has climbed as well. These inescapable factors have left less for boards of education and the governing bodies of our colleges and universities to spend in many lines of school supplies and equipment. In fact, were the market to become immediately abundant in all kinds of goods needed by the schools of the Nation, it would be impossible because of lack of funds for educational purchasing agents to take care of school needs that in increasing amounts have developed since Pearl Harbor.

It may now certainly be expected that education, if it should continue to be limited to existing plans of State and local support alone, will be forced to spend the next decade attempting to restore plants and equipment to their 1941 status. The fiscal ability of boards of education, and similar bodies, is inadequate to meet both equipment and personnel demands.

The gap that exists between what schools can afford and what they need is rapidly widening. It stands as a serious threat not only to the individual welfare of American youth but at the same time to the general welfare in the days ahead.

This gap may at least be partially closed if surplus materials, appropriate for educational services, are made available to schools.

#### SAFEGUARDING PRODUCTION AND EMPLOYMENT

It would obviously be unsound to dispose of educational surpluses in a way that would endanger the normal flow of trade between schools and industry. Were surpluses employed to reduce the normal buying of school purchasing agencies the effect would be to close some of the Nation's factories or else harmfully to curtail normal production and employment. This undesirable effect should be, and can be, avoided in giving effect to the National Education Association proposal through good judgment in the administration of whatever provisions on this score Congress itself may deem just and reasonable.

With this in mind, it is proposed that, in demonstrating eligibility to receive transfers of materials without cost from the Nation's stock pile of surpluses, a school system or any institution of higher learning should show substantial evidence that its plan of spending, as set forth in its budget, contemplates normal operations on the basis of its past experience.

#### PRINCIPLE OF NEED IS UPPERMOST

In giving effect to the proposal advanced for committee consideration it is to be noted that the emphasis throughout is on the principle of need, with special reference to actual needs which exist after school purchasing agencies have utilized their normal fiscal powers.

The National Education Association is vigorously opposed to any system of surplus disposal which would in effect result in the indiscriminate allocation of properties and materials to school systems or to institutions which might not exercise due diligence or sound judgement, in appraising their needs.

In any event, such estimates of need should be carefully appraised by properly constituted responsible State authorities and, following that, as necessary, they should be subjected to the cooperative evaluation of State authorities and a Federal agency—such as the United States Office of Education—to be named by the Congress.

#### BREAK-DOWN OF PROPOSAL

The proposal of the National Education Association, as, originally stated, and with the foregoing considerations in mind, recommends that disposal of surpluses appropriate for educational uses be generally patterned as follows:

1. That properties, equipment, supplies, and other materials acquired for educational services by the armed forces be transferred to the United States Office of Education for allocation without cost to the States on the principle of demonstrated need.

2. That after school purchasing agencies have shown evidence of planning for normal business, as determined by past experience, such school systems and other institutions be given prior call upon surpluses appropriate for educational use, subject to demonstration of fair and reasonable need.

3. That in the event such transfers cannot be made without cost to privately supported and privately controlled school systems and institutions, such school

systems and institutions be permitted to purchase appropriate materials at a nominal cost.

4. That the Congress fix responsibility for administration of the disposal of educational surpluses in a Federal agency—e. g., the United States Office of Education, subject to such rules and regulations as may be approved by the Federal Administrator.

PROVISIONS OF H. R. 5125 ARE INADEQUATE

The provisions of H. R. 5125 are exclusive of some of the factors presented in this statement.

Section 11 (a) reads: "Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warrant, and upon such other terms and conditions as the agency deems proper.

"(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property."

The foregoing provisions make liberal grants of authority to the Administrator in point of disposing of surpluses but these grants are in nowise restricted, as indeed they should be, by consideration of such factors in relation to education as (1) demonstrated need, (2) the obligation of Federal Government to replace school equipment and supplies and to off-set depreciation of school plants resulting from the war effort, (3) inability of school systems and institutions of higher learning to make such replacements out of their own current revenues, (4) application of the principle of priorities to encourage the return of education to at least its pre-Pearl Harbor status in point of equipment, materials, and supplies, and (5) designation of a Federal agency, on the national level, to receive transfers of surplus properties, materials, and supplies on behalf of education and to cooperate with the States in screening analysis of school needs reported from the localities.

It is, in conclusion, proposed that the grants of authority extended the Federal Administrator in section 11, of H. R. 5125, be retained, and that they be supplemented in such manner as the committee may recommend and the Congress finally determine to provide for the arrangement set forth in the section of this statement entitled "Break-down of proposal."

X









COMPTROLLER GENERAL OF THE UNITED STATES

Washington 25

B-43088

August 9, 1944

Honorable Carter Manasco, Chairman,

Committee on Expenditures in the Executive Departments,

House of Representatives.

My dear Mr. Chairman:

At your informal request, I herewith submit a supplemental report on bill H. R. 5125, 78th Congress, entitled "A BILL To provide for the disposal of surplus Government property and plants, and for other purposes."

Under date of July 17, 1944, this office made a report to you on the subject bill and two other bills relating to the disposition of surplus property. With respect to the bill H. R. 5125, it was stated, in substance, that inasmuch as the bill apparently related only to such temporary surplus of property as may accumulate during the period of the present war, this office would prefer more permanent and comprehensive legislation such as H. R. 2795, which had passed the House of Representatives. However, it is understood now that the Congress may desire to enact promptly some such temporary legislation as H. R. 5125, leaving for subsequent consideration permanent legislation relating to surplus Government property.

The objectives of the bill H. R. 5125 as set out in section 1 thereof are as follows:

"SECTION 1. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as--



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"(a) to assure the most effective use of such property for the purposes of war and national defense;

"(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

"(c) to promote production, employment of labor, and utilization of the productive capacity, and the natural and agricultural resources of the country;

"(d) to avoid dislocations of the domestic economy and of international economic relations;

"(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

"(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

"(g) to effect broad and equitable distribution of surplus property; and

"(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy."

Briefly, the bill would establish a Surplus Property Administration headed by a Surplus Property Administrator who shall "have general supervision and direction over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies"; also, it would (1) create a Surplus Property Board composed of specified heads of executive departments and other Government officials, or persons designated by them, to advise and consult with the Administrator; (2) provide for disposition of property by an owning agency under certain conditions (section 8); (3) provide that the Administrator shall designate one or more Government agencies as disposal agencies (section 9); (4) provide for transfers of property between Government agencies (section 10); (5)

*Journal of Management Studies*, 19(1), 67-80.

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authorize donation of property to Government-supported institutions or educational or charitable organizations, or the destruction of property, under specified conditions (section 11); (6) outline policies governing the disposition of surplus property (section 12); (7) retain the effect and applicability of the anti-trust laws as they may be applicable to the acquisition of property under the proposed legislation (section 13); (8) prescribe special requirements relative to the disposition of Government-owned plants for the production of synthetic rubber or aluminum (section 14); (9) authorize the Administrator to prescribe regulations to effectuate the provisions of the act (section 15); (10) provide for disposition of the proceeds from any transfer or disposition of property under the proposed legislation (section 17); (11) authorize the use of appropriated funds in the disposition or acquisition of surplus property (section 18); and (12) provide that the proposed legislation shall become effective from date of enactment and, unless extended by law, shall expire three years after the end of the present war.

There are not apparent to this office any serious objections to the provisions of the bill H. R. 5125. Although it would bestow on the Administrator a rather large measure of discretion, such discretionary authority appears appropriate to the situation foreseen with respect to surplus property after the end of the present war. The proposed provisions relative to the use of appropriated funds and the disposition of proceeds from any transfer or disposition of property are thought to protect adequately the interests of the United States, with the



possible exception of the language of subsection 17(b). Said subsection apparently is intended to authorize the owning agency to deduct from the proceeds of the authorized transfers or dispositions only such expenses incurred for the care, etc., of the involved property as may have been paid from or as may be chargeable to appropriated moneys--such deduction being for the purpose of reimbursing "the fund or appropriation bearing such expenses"--and not to authorize the use of such proceeds to pay expenses incurred for the care, etc., of property which would not in the first instance be payable from appropriated moneys. To avoid the possibility of an interpretation which would permit the owning agency to receive the proceeds of property and pay such proceeds out directly as expenses without being reflected in the pertinent accounts as receipts and expenditures of Government funds, I suggest that there be inserted in lieu of the words "and may" in line 10, page 18 of the bill, the following words "the amounts so deducted to be used only to." If so amended, the said subsection 17(b) would require that all such proceeds be shown as receipts of Government moneys and all expenses for care, etc., be shown as expenditures of Government moneys, thereby insuring that the proceeds of all such transactions would be subject to audit as Government moneys.

Other than as above suggested, I have no recommendation to make relative to the enactment of the bill H. R. 5125.

Sincerely yours,

LINDSAY C. WARREN

Comptroller General  
of the United States.



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## DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

AUGUST 10, 1944.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. MANASCO, from the Committee on Expenditures in the Executive Departments, submitted the following

### REPORT

[To accompany H. R. 5125]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for the purposes of war and national defense;

(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(c) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

(d) to avoid dislocations of the domestic economy and of international economic relations;

(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

(g) to effect broad and equitable distribution of surplus property; and

(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

#### DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Government agency" means an executive department or independent agency in the executive branch of the Federal Government, and any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the Government agency having control of such property otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 8 of this Act to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 6 of this Act.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by or under the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "Administrator" means the Surplus Property Administrator.

#### SURPLUS PROPERTY ADMINISTRATOR

SEC. 3. (a) There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$12,000 per year. The term of office of the Administrator shall be two years.

(b) The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Administrator, Assistant Administrators, and special assistants, and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act. The Administrator shall perform the duties imposed upon him through the personnel and facilities of the established Government agencies so far as consistent with his duty to insure uniform and efficient administration of the provisions of this Act.

(c) The Administrator shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies.

#### SURPLUS PROPERTY ADVISORY BOARD

SEC. 4. There is hereby created a Surplus Property Advisory Board with which the Administrator shall advise and consult. The Board shall be composed of the Administrator, who shall act as its Chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Chairman of the Board of Directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Foreign Economic Administration, or any alternate or representative designated by any of them.

## REPORTS TO CONGRESS

SEC. 5. (a) Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Administrator shall submit to the Senate and House of Representatives a progress report on the exercise of his authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

(b) The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this Act within thirty days after the publication of such regulations in the Federal Register.

## DECLARATION OF SURPLUS PROPERTY

SEC. 6. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of the performance of his duties under this Act, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives.

(b) Each owning agency shall promptly report to the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 7.

## DISPOSITION BY OWNING AGENCY

SEC. 7. (a) Subject only to the regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production.

(b) Subject to subsection (c) of this section, any owning agency may dispose of—

- (1) any property which is damaged or worn beyond economical repair;
- (2) any waste, salvage, scrap, or other similar items;
- (3) any products of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;
- (4) any contractor inventory in its control; and
- (5) any class or type of surplus property in its control designated by the Administrator.

(c) Whenever he deems such action necessary to effectuate the objectives and policies of this Act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

## DISPOSAL AGENCIES

SEC. 8. (a) The Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies under this Act and shall prescribe the class or classes of surplus property to be disposed of by each such agency: *Provided, however,* That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(b) When any surplus property is reported to it under subsection (b) of section 6, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition. Where the disposal agency is not prepared, at the time of its designation under this Act, to undertake the care and handling of such surplus property, the Administrator may postpone the responsibility of the agency to assume its duty for care and handling for such period as he deems necessary to permit its preparation therefor.

(c) The Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.



## TRANSFERS BETWEEN AGENCIES

SEC. 9. (a) The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

## METHODS OF DISPOSITION

SEC. 10. (a) Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper.

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property.

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this Act.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value is concerned.

## POLICIES GOVERNING DISPOSITION

SEC. 11. In formulating regulations to govern the care and handling and disposition of surplus property under this Act, the Administrator shall be guided by the objectives stated in section 1 of this Act, and shall give effect to the following policies to the extent feasible, and in the public interest:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

(b) To afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations, an opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

(d) To encourage and foster post-war employment opportunities.

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection.

(f) To afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property.

(g) To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets.

(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

- (i) To prevent insofar as possible unusual and excessive profits being made out of surplus property.
- (j) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

## DISPOSITION OF PLANTS

SEC. 12. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit or prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. Upon the request of the Attorney General the Administrator or any other Government agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or any such agency may possess which the Attorney General determines to be pertinent to the application of the antitrust laws to the disposition of surplus property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

SEC. 13. (a) No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which cost the Government \$5,000,000 or more, except in accordance with this section or pursuant to an option therefor.

(b) The Administrator may authorize any disposal agency to lease any such surplus plant for a term of not more than five years.

(c) The Administrator shall prepare and submit to Congress a report as to each class of such property—

(1) describing the number, cost, and location of such surplus plants and setting forth other descriptive information relative to the use and potential use thereof;

(2) outlining the economic problems that may be created by the disposition thereof;

(3) setting forth a plan or program for the care and handling, disposition, and use thereof consistent with the policies and objectives of this Act; and

(4) describing any steps already taken with respect to the care and handling, disposition, and use of the property, including any contracts relating thereto.

The Administrator shall request Government agencies to submit information and suggestions for use in the preparation of such reports and shall encourage States, political subdivisions thereof, and private persons to submit such information and suggestions, and he shall submit to the Congress, together with each such report, copies or summaries of such information and suggestions. After six months from the submission of a report hereunder, unless the Congress provides otherwise by law, the Administrator may authorize the appropriate disposal agencies to dispose of such property in accordance with the plan or program proposed in the report to Congress.

(d) The Administrator may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by subsection (a) of this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

## REGULATIONS

SEC. 14. The Administrator shall prescribe regulations to effectuate the provisions of this Act. Each Government agency shall carry out regulations of the Administrator expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary for that purpose. Any Government agency may issue such further regulations not inconsistent with the regulations of the Administrator as it deems necessary and desirable to carry out the provisions of this Act. The regulations prescribed under this Act shall be published in the Federal Register.

## GENERAL PROVISIONS

SEC. 15. (a) Each Government agency shall submit to the Administrator (1) such information and reports with respect to surplus property in its control, in such form and at such times as the Administrator may direct; and (2) information and reports with respect to other property in its control, to such extent, and in such form as the agency deems consistent with national security.

(b) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Administrator.

(c) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

(d) Any Government agency responsible for the care and handling of any property may take such action for the care and handling of such property, and for completion of any semifabricated property, as it deems necessary or desirable to effectuate the objectives and policies of this Act.

(e) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Administrator may prescribe. The information in such records shall be available at all reasonable times for public inspection.

(f) Nothing in this Act shall be deemed to impair or modify any contract or any term or provision of any contract without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

(g) In disposing of surplus agricultural lands in the United States, former owners shall be given a reasonable time, to be fixed by the Administrator, in which to repurchase their original tracts, at a price not exceeding that paid them by the Government, except where the value of such tract has been increased by the Government. Except for the above provisions, such land shall be sold when practicable, in family size parcels, no more than one such parcel being sold to any one family or individual, and such sale being made insofar as possible to persons who expect to live upon and cultivate such land. This subsection shall apply only to land acquired after July 1, 1940.

## DISPOSITION OF PROCEEDS

SEC. 16. (a) All proceeds from any transfer or disposition of property under this Act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling, completion of semifabricated property, and disposition or transfer.

(c) To the extent authorized by the Administrator, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.



(e) Where property is transferred or disposed of under this Act for any consideration other than legal tender of the United States, the disposal agency shall convert such consideration into legal tender of the United States as rapidly as it deems practicable, and pending such conversion, shall retain, preserve, and manage such consideration, in such manner as it deems appropriate. Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Administrator may prescribe regulations to govern the exercise of the authority granted under this subsection.

#### USE OF APPROPRIATED FUNDS

SEC. 17. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling, and for the completion of semifabricated property, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

(b) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

#### DELEGATION OF AUTHORITY

SEC. 18. (a) The Administrator may delegate any authority and discretion conferred upon him by this Act to any Deputy Administrator or Assistant Administrator, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Administrator, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

#### APPLICABILITY

SEC. 19. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations of the Administrator or of the agency in accordance with this Act.

SEC. 20. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Administrator may exempt from some or all of the provisions hereof, dispositions of property located outside of the continental United States or in Alaska, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

SEC. 21. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Administrator may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever he deems such action necessary to effectuate the objectives and policies of this Act.

(b) Nothing in this Act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; or the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; or of section 301 of the Second War Powers Act, 1942; or of the Act of March 11, 1941 (55 Stat. 31), as amended; or Acts supplemental thereto, or of any law regulating the exportation of property from the United States.

## EFFECTIVE DATE; EXPIRATION

SEC. 22. This Act shall become effective from the date of its enactment. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

## SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

## SHORT TITLE

SEC. 24. This Act may be cited as the "Surplus Property Act of 1944".

## GENERAL STATEMENT

## PURPOSE AND METHOD

The purpose of the bill is to assure that surplus Government property shall be disposed of, in accordance with policies fixed by Congress, in an orderly and expeditious manner, with beneficial effect on the domestic economy and for the highest possible return to the Government consistent with the objectives and policies prescribed by Congress.

The method followed is the establishment of a Surplus Property Administration, headed by an Administrator, who shall have general supervision and direction over the disposal of surplus property, with the advice of a Surplus Property Board, and the formulation by Congress, in this bill, of the objectives, policies, and procedures to be followed in such disposal.

## HISTORY AND BACKGROUND

The committee does not deem it necessary to elaborate in this report on the size and economic importance of the problem of surplus-property disposal. The House is familiar with much that has been written on the subject. For a recent careful summation of its scope, reference is made to the second report of the House Special Committee on Post-war Economic Policy and Planning, dated August 10, 1944, entitled "Disposal of Surplus Property."

The committee long ago took cognizance of the need for legislation governing the related problems of property management and surplus-property disposal. After long consideration and extensive hearings during the present Congress on H. R. 1610, the committee on May 27, 1943, reported favorably to the House a comprehensive bill (H. R. 2795) designed as permanent legislation covering these problems. This bill was passed by the House on June 9, 1943, and is now pending in the Senate.

In addition to the hearings held on H. R. 1610, the committee also had the benefit of the hearings held by the Committee on Public Buildings and Grounds during the present Congress on H. R. 3140, and the joint hearings held on June 16 and 20 of this year by the respective Committees on Post-war Economic Policy and Planning of the Senate and the House. Because of the information contained

in all of these hearings and the consequent familiarity of the committee with the whole subject matter, the hearings held by the committee on the bill herewith reported were limited to testimony by the Surplus War Property Administrator, the Secretary of Agriculture, and Members of Congress.

With the passage of time, the rapid changes in the war procurement program, the resultant large number of contract terminations and the progress of the war with Germany, the temporary problem of disposal of current and future war surpluses has come to overshadow, for the time being, the permanent matters dealt with by H. R. 2795.

On February 19, 1944, the President signed Executive Order No. 9425, creating in the Office of War Mobilization a Surplus War Property Administration to have general supervision and direction over the disposal of surplus property and its transfer between Government agencies. Mr. W. L. Clayton was named as Surplus War Property Administrator, in which capacity he continues to function.

Beginning soon after his appointment, Administrator Clayton was invited to testify before various committees of the Congress, before which were pending bills relating to the disposal of surplus property. He consistently testified to the desirability of giving him some time, and an opportunity to acquire experience in the problems of actual disposal, before requesting him to make definitive recommendations as to the type of legislation which should be enacted.

The desirability of early legislation having become more and more marked, however, Administrator Clayton during the month of May 1944, convened a committee representing eleven of the executive agencies principally interested in surplus-property disposal. That committee formulated a proposed bill, in collaboration with staff representatives of various interested committees of Congress, which was transmitted to Congress early in June 1944. On June 16 and 20, 1944, the Administrator and representatives of the agencies which participated in the formulation of his proposals, testified with respect to them at joint meetings of the Senate and House Special Committees on Post War Economic Policy and Planning at which the chairman of your committee was present by invitation.

The proposals there discussed have since been exhaustively considered by the House Special Committee on Post-war Economic Policy and Planning and by your committee, further consultation having been had at length with the Administrator and other representatives of executive agencies. The committee amendment to the bill is the product of those deliberations.

#### GENERAL DISCUSSION OF PRINCIPAL PROBLEMS

A section-by-section explanation of the bill appears later in this report. It is believed, however, that a clear understanding of its provisions and of its basic philosophy will be facilitated by a discussion of some of the major questions which the committee had to resolve, and of the reasons for the solutions reflected in the bill.

##### *A. Temporary character of the bill.*

The bill by its terms expires 3 years after the cessation of hostilities. During its life, however, it governs the disposal of all surplus Government property, whether acquired for war purposes or in the ordinary administration of a normal governmental function.



Passage of the bill, therefore, will not alter the fact, which the House recognized in passing H. R. 2795, that Congress at some time prior to the expiration of 3 years after the cessation of hostilities should enact permanent legislation governing property management and surplus property disposal in peacetime.

The committee feels, however, after the most careful consideration, that at the present time and in the immediate future, when by far the most important problem in the field is the coordination and correlation of the disposal of war surpluses all over the world, it would be a great mistake either to delay legislative action or to impair the necessary over-all coordination of property disposal by prescribing different treatment for property depending upon whether its acquisition was for war purposes or for ordinary administrative purposes.

In addition, the pattern of disposal organization and procedure which the bill creates, namely, the use of various Government agencies to act as disposal agencies under the general direction and supervision of a correlating over-all administrative authority, each agency handling separate classes of surplus property, bears promise of efficient, economical, and uniform disposal of Government surpluses. Such a pattern might well be carried over into peacetime operations, with such modifications as will be dictated by actual experience in the sale of war surpluses and as will be necessary to confine its operations to the permanent agencies of Government. In short, the committee believes that sounder permanent legislation can be prepared as the result of experience under the bill hereby reported than could now be formulated.

Accordingly the committee considered and rejected both the alternative of including in a single bill now, permanent legislation governing the management and disposal of property acquired for administrative purposes and temporary legislation for the disposal of war surpluses, and the alternative of confining the scope of the present bill to war surpluses. In addition to the reasons given above, both alternatives would be subject to the very serious objection that in the case of the major war agencies the distinction between property acquired for administrative purposes and property acquired for war purposes would be impossible of clear and prescribed definition and, at the present time, without real significance.

#### *B. Structure of administrative agency.*

The bill provides that the Surplus Property Administration shall be headed by an Administrator, appointed by the President by and with the advice and consent of the Senate. The Administrator's term of office is 2 years. A Surplus Property Advisory Board is created, with which the Administrator shall advise and consult. The Board consists of Cabinet members and heads of executive agencies having a direct interest in surplus disposal.

Two factors primarily motivated the committee in providing this type of administrative structure:

1. It is imperative that the Congress be able clearly and unequivocally to lodge the responsibility for the disposal program in one person, and to hold that person directly accountable. The execution of the program will necessarily be widely diffused and decentralized, since many types of property will be sold by various agencies all over the world. In addition, as more fully discussed later in this report, it is imperative that the directing administrative agency be vested

with a wide discretion and be permitted great flexibility of operation. These facts accentuate the need for a clear centralized responsibility, so that Congress will at all times know exactly who is making the decisions, who is responsible for keeping Congress advised, and exactly how a change can be made if the job is not being properly done.

2. Inherent in the nature of the disposal problem is the necessity for making prompt and consistent decisions on specific questions of disposal as they arise. Consultation and advice are of the utmost importance, not only from Government officials but from all segments of the economy interested in a particular disposal program, but any requirement which translates consultation and advice into an administrative machinery which cannot function promptly when prompt action is called for, would defeat its own purpose. Here again individual responsibility and authority is clearly indicated.

The committee considered carefully and rejected various suggestions, which differ considerably in detail, to the effect that the final responsibility and authority should be vested in a board. It seems to the committee that both factors outlined above militate against the advisability of such a decision. A board must necessarily act through the action of a majority, or some larger specified percentage, of its members or of its members present at a particular meeting. This would clearly impede not only the ability of Congress to know who was really making the decisions, but also the ability to take prompt action which could not wait on the ability of a board to meet, discuss, and make up its collective mind.

#### *C. Congressional determination of policy.*

Probably the most difficult question to decide in legislation of this character is the extent to which Congress shall prescribe and direct the manner in which an administrator shall carry out his duties, and the extent to which he shall be allowed, within prescribed policies, to decide upon individual courses of action as good judgment dictates in the light of the facts of a particular case.

The principle is clear: If specific congressional directives are to achieve their purpose, and not defeat their objective by hampering the prompt and orderly disposal of property, they must be clearly and explicitly stated. The application of that principle to so diverse an activity as the disposal of all types of property all over the world is extremely difficult.

So far as the nature of the administrative agency is concerned, and the manner in which it shall organize the disposal program, the bill is specific. It requires the appointing of disposal agencies for particular classes or types of property to which all agencies shall report for disposal all surplus property of those classes or types. This achieves a principal objective, the avoidance of competitive sales by different agencies.

In prescribing the manner in which goods are to be sold, however, the committee has concluded, after considering numerous mandatory provisions which have been suggested, some of which appear in other pending bills, that a clear statement of the objectives of Congress and of the policies to which effect is to be given in the disposal of property, rather than an attempt to set forth specific directives, is the only method which will achieve the desired result.

The committee is emphatic in its conviction that this conclusion in no way involves a surrender of congressional control or a delegation of



legislative power. The reason why the bill does not specify that all property should be sold in a particular specified manner, at a particular specified price, or under particular specified procedures, is not that Congress is incapable of reaching a decision on the question and therefore turns that decision over to someone else, but that Congress has affirmatively decided that no single manner, price policy, or sales procedure is applicable to all the diverse types of property which are to be sold in all the different places and under all the different circumstances of sale. By enacting this legislation Congress will say clearly and precisely the results which it wants to achieve through the disposal of surplus property. The plain fact is that it can say no more without defeating its own purpose. Recognition of this plain fact seems to your committee an exercise of wise congressional judgment.

It is a condition and not a theory that no surplus property bill will be better than its administrator. The danger is that ill-considered provisions of general application might prevent the best administrator from adequately performing his task. The committee submits that the bill soundly avoids the dangers of uncontrolled administrative discretion on the one hand and of hampering ill-advised legislative restrictions on the other.

#### *D. Donations and price preferences.*

This subject can be briefly treated. The committee believes that surplus property is a national asset, the full value of which should redound to the benefit of the Nation as a whole. While there are appealing reasons for making donations or sales below market value to various classes of citizens or institutions having need for the property, the committee feels that any such action would be just as much a gift of public funds as if made in cash. Moreover the difficulty of choosing between the deserving groups in order of merit is one strong reason for not giving a preference to any.

The bill provides for no donations of property which has commercial value. It declares the policy of Congress to afford to various classes of deserving purchasers an opportunity to acquire surplus property. But it also declares the policy of Congress to realize the highest obtainable return for the Government consistent with the declared objectives and policies. The committee feels that any departure from this position would be contrary to the national interest.

The committee has, however, recognized one special case of hardship which calls for individual treatment. Many farms have been taken by the Government for war purposes from unwilling owners. The committee, while not departing from its principle of sales for fair value, feels that value at the time of taking, as expressed by the price paid by the Government, is the proper maximum to adopt in such a case. The Government should not make a profit from such a transaction, and the bill so provides.

The bill does not authorize any Government agency to acquire surplus property except upon payment of the fair value thereof out of available appropriations, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### *E. Authority to determine surpluses.*

A Government agency, within the meaning of the bill, is an executive department, independent agency, or Government-owned corporation. Thus the control of property acquired by any branch or bureau of an agency is, within the bill's meaning, under the control of the head of



the agency—in effect it is under the control of a cabinet officer, the head of an independent agency or the board of directors of a corporation. These heads may of course delegate their powers, but the power to determine and declare what property is surplus to the needs and responsibilities of the agency rests in them.

Keeping this in mind, the bill provides first, that each agency shall have the duty continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities, second, that property determined to be surplus shall be promptly reported to a disposal agency, and, third, that if the Administrator has reason to believe that an agency controls property which in fact is surplus but has not been so declared, he shall so report to the Congress.

The committee considered and rejected suggestions that an executive agency, either the Surplus Property Administration or the Office of War Mobilization or its possible statutory successor, should have power, after the cessation of hostilities, to review and reverse an agency's determination that property in its control was not surplus.

These suggestions stem from a fear that owning agencies, including the War and Navy Departments, may be inclined to retain what they have, even in the absence of a real need, and that outside pressure will be required to make them disgorge. While appreciating this fear, the committee feels that the size of the peacetime Military Establishment, both as to men and material, and the amount of property to be held by the nonmilitary agencies, are the joint responsibilities of the agencies themselves and of Congress, and not of a third agency of Government.

The greatest surpluses will be in the War and Navy Departments. Congress will determine, in as much detail as it sees fit, what property they should have after the war, and in great detail, through appropriations, what funds they will be given to maintain and operate that property. Congress wants to know of instances discovered by the Administrator where he believes excessive amounts of property are being retained, and the bill requires him to report them. But the Administrator has neither the complete data necessary for him to make an independent determination, nor the responsibility for the effective operation of the owning agency with which the head of that agency is charged.

The committee believes that any other provisions for review of surplus determinations than that contained in the bill would produce a division between authority and responsibility which cannot be defended.

#### *F. Disposal of plants.*

One of the prime objectives of the bill, as of the entire reconversion program, is to ease the transition from war to peace economy by providing peacetime employment both for returning veterans and for those workers whose war employment has necessarily come to an end.

The greatest single impetus which the surplus-disposal program can give to this objective will be the prompt disposal of Government-owned plants, when no longer needed for war work, so that they can be put to productive peacetime use and reemploy workers at the earliest possible moment.

The committee feels that all proposals to restrict or delay the disposal of surplus Government-owned plants must be critically examined

in the light of this major objective. If Congress imposes terms of sale, however salutary from other points of view, which will make private capital unwilling to buy, or even slow to buy, it must weigh the social value of those terms against the delay in reemployment which will result if no buyers can be found. If Congress wishes to prohibit sales of all plants, or of certain types of plants, until Congress has had an opportunity to pass on the disposal plans, it must face the fact that during the period of congressional inquiry those plants may be idle. While there may be possibilities of short-term leases, or even short-term Government operation, in order to put the plants to productive use pending sale, the committee feels that these alternatives should be kept to the very minimum.

In short, the committee feels that the presumptions are all in favor of prompt disposal of surplus industrial plants, and that an overwhelming national interest must be shown before legislative requirements are imposed which will delay disposal. After long discussion and consideration of analogous provisions in other bills, the committee feels that such a national interest, which overrides the disadvantages of delay, exists in the case of plants for the manufacture of synthetic rubber and aluminum, but in no others. In both those cases, not only does the Government own an overwhelming preponderance of the total productive capacity of the country, but other factors of national and international importance, as distinguished from sectional or vocational importance, place them in a class where the national interest requires a complete examination by Congress of any disposal plant. The committee has found no other instance in which it feels this to be the case, and desires particularly to warn against restrictions which, for purely sectional or vocational reasons, would militate against the national interest by contributing to the possibility of extended post-war employment.

### EXPLANATION OF PROVISIONS

#### OBJECTIVES OF BILL

Section 1 of the committee amendment states that it is the object of Congress to facilitate the orderly disposal of surplus property so as to—

- (1) Assure its most effective use for war and national defense purposes;
- (2) Facilitate transition from wartime to peacetime production and employment;
- (3) Promote production, employment, and utilization of the country's productive capacity and resources;
- (4) Avoid dislocations of the domestic economy and of international economic relations;
- (5) Discourage monopolistic practices and preserve and strengthen the competitive position of small business;
- (6) Foster wide and equitable distribution of surplus property;
- (7) Realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

## DEFINITIONS

Section 2 defines terms used.

The term "Government agency" means an executive department or independent agency in the executive branch of the Government, and also any corporation wholly owned by the United States, either directly or through one or more corporations.

The term "owning agency" when used with reference to any property means the Government agency having control of the property not solely as a disposal agency.

The term "disposal agency" means a Government agency designated under section 8 to dispose of one or more classes of surplus property.

The term "property" means any interest owned by the United States, in real or personal property, of any kind, wherever located.

The term "surplus property" means property which has been determined by the owning agency to be surplus to its needs and responsibilities.

The term "contractor inventory" means (1) any property related to a terminated contract with the Government or to a subcontract thereunder; (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of amounts needed to complete the contract; and (3) any property which the Government is obligated to take over under a contract as a result of a change in specifications.

The term "care and handling" is defined as including, among other things, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

Other terms defined are "option", "person", and "Administrator." "Administrator" means the Surplus Property Administrator whose office is created under section 3.

## SURPLUS PROPERTY ADMINISTRATOR

Section 3 establishes a Surplus Property Administration at the head of which is to be a Surplus Property Administrator. He is to be appointed by the President with the advice and consent of the Senate and receive compensation of \$12,000 a year. His term of office is 2 years.

The Administrator is authorized to appoint a Deputy Administrator, Assistant Administrators, special assistants, and certain experts without regard to the civil-service laws and Classification Act of 1923. Other personnel of the Administration are to be appointed in accordance with such laws and such act.

The Administrator is directed to perform his duties, so far as efficient administration will permit, through the personnel and facilities of the established Government agencies.

The Administrator is to have general supervision, as provided in the committee amendment, over the care and handling and disposition of surplus property, and over the transfer of surplus property between Government agencies.



## SURPLUS PROPERTY ADVISORY BOARD

Section 4 creates a Surplus Property Advisory Board with which the Administrator is directed to advise and consult. The Advisory Board is composed of—

- (1) The Administrator, who is made Chairman,
- (2) The Secretary of State,
- (3) The Secretary of the Treasury,
- (4) The Secretary of War,
- (5) The Secretary of the Navy,
- (6) The Attorney General,
- (7) The Secretary of Commerce,
- (8) The Secretary of the Interior,
- (9) The Secretary of Agriculture,
- (10) The Secretary of Labor,
- (11) The chairman of the board of directors of the Smaller War Plants Corporation,
- (12) The Chairman of the United States Maritime Commission,
- (13) The Chairman of the War Production Board,
- (14) The Administrator of the War Food Administration,
- (15) The Administrator of the Federal Works Agency,
- (16) The Chairman of the Civil Aeronautics Board, and
- (17) The Administrator of the Foreign Economic Administration.

## REPORTS TO CONGRESS

Section 5 requires that within 3 months after enactment, and thereafter in January, April, July, and October of each year, the Administrator submit to Congress a progress report on activities under the act.

This section also requires the submission to Congress of all regulations of the Administrator within 30 days after their publication in the Federal Register.

## DECLARATION OF SURPLUS PROPERTY

Section 6 directs each owning agency continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of performing his duties under the committee amendment, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator is directed to report that fact promptly to Congress.

Each owning agency is directed to promptly report to the appropriate disposal agency all surplus in its control which it does not dispose of under section 7.

## DISPOSITION BY OWNING AGENCY

Section 7 deals with the kinds of property which may be disposed of by owning agencies. Subject only to regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any

contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production.

Except as their authority so to do may be restricted by regulations of the Administrator, the owning agencies are also authorized to dispose of—

- (1) Any property which is damaged or worn beyond economical repair;
- (2) Any waste, salvage, scrap, or other similar items;
- (3) Any products of industrial research, agricultural, or live-stock operations, or of any public works construction or maintenance project, carried on by the owning agency;
- (4) Any contractor inventory in the control of the owning agency; or
- (5) Any class or type of surplus property, designated by the Administrator, in the control of the owning agency.

#### DISPOSAL AGENCIES

Section 8 provides that the Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies and prescribe the class or classes of surplus property to be disposed of by each such agency. The Maritime Commission is made the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and the disposition thereof is to be made in accordance with the Merchant Marine Act of 1936 and other laws authorizing the sale of such vessels.

When any surplus property is reported to it, the disposal agency is given responsibility and authority for the disposition of the property, and for its care and handling pending its disposition.

The Administrator is given power, by regulations, to prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority with respect to dispositions and care and handling.

#### TRANSFERS BETWEEN AGENCIES

Section 9 directs the Administrator to establish procedures to facilitate the transfer of surplus property to each Government agency for the performance of its functions, and directs each agency to make all possible use of surplus property so as to avoid unnecessary commercial purchases. Interagency transfers are to be made by disposal agencies at the fair value of the property as fixed by them, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### METHODS OF DISPOSITION

Section 10 (a) of the committee amendment authorizes any agency disposing of property under the act to do so, subject to the other provisions of the act, by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper. Section 10 (d) makes any instrument, executed by or

on behalf of an agency, purporting to transfer title to property under the act, conclusive evidence of compliance with the provisions of the act, insofar as the title of any bona fide purchasers is concerned. These two provisions are designed clearly to assure to purchasers that agencies selling property of the Government have full authority to do so, and that the purchaser's title cannot be invalidated because of any failure of a Government agency to comply with a requirement of the act. These enabling provisions clarify the law on the subject, and the committee considers them of major importance.

Section 10 (b) permits an agency, if it finds that property of which it is authorized to dispose has no realizable commercial value, to donate the property to tax-supported institutions or nonprofit educational or charitable organizations, or, if that is not feasible, to destroy or otherwise dispose of it.

Section 10 (c) authorizes the Administrator to prescribe policies governing prices and other terms and conditions of dispositions of property under the act.

#### POLICIES GOVERNING DISPOSITION

Section 11 directs the Administrator, in formulating regulations, to be guided by the objectives stated in section 1, and to give effect to the following policies, to the extent feasible and in the public interest:

(a) To facilitate inter-agency transfers.

(b) To afford tax-supported, educational, charitable, and eleemosynary institutions, States, Territories and their political subdivisions, the District of Columbia, and cooperative organizations, an opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

(d) To foster post-war employment.

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation and to employ other appropriate means to give effect to this subsection.

(f) To afford former owners of surplus real property an opportunity to reacquire it.

(g) To encourage mutually beneficial foreign trade relations and develop foreign markets.

(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(i) To prevent the making of excessive profits.

(j) To realize the highest obtainable return for the Government consistent with the stated objectives and policies.



## DISPOSITION OF PLANTS

Section 12 of the committee amendment provides that the act shall not impair the antitrust laws or limit their application to purchasers of property, and requires that the Attorney General be furnished with all pertinent information.

Section 13 prohibits the disposal of any surplus Government-owned synthetic rubber or aluminum plant, except by lease for a term not exceeding 5 years, until the Administrator shall have submitted to Congress a detailed plan for the disposal of that type of property. If Congress takes no action within 6 months after submission of the report, the Administrator may proceed in accordance with the plan submitted.

## REGULATIONS

Section 14 of the committee amendment directs the Administrator to prescribe regulations to effectuate the provisions of the act, and directs other agencies to carry out his regulations and to issue necessary regulations for that purpose. All regulations must be published in the Federal Register.

## GENERAL PROVISIONS

Section 15 (a) requires the submission by agencies to the Administrator of such information as to surplus property as he may require, and information as to other property to the extent that the agency deems consistent with national security.

Section 15 (b) permits agencies to execute all documents and take all other action necessary or proper to dispose of property or otherwise carry out the provisions of the act, and, in the case of surplus property, requires them to do so as directed by the Administrator.

Section 15 (c) provides that Government employees complying with the regulations shall be liable with respect to dispositions only for their own fraud, and shall not be accountable for the collection of any purchase price determined by the responsible agency to be uncollectible.

Section 15 (d) permits responsible agencies to take such action for the care and handling of property and for the completion of semi-fabricated property, as they deem necessary to effectuate the stated objectives and policies.

Section 15 (e) requires disposal agencies to keep full records available for public inspection.

Section 15 (f) provides that the act shall not impair or modify any valid contract provision without the contractor's consent.

Section 15 (g) provides that former owners of surplus agricultural land acquired after July 1, 1940, shall have a reasonable time to reacquire them at not more than the price paid by the Government, except where the value has been increased by the Government. Otherwise sales are to be made in family-sized parcels, to persons who will live on and cultivate the land, only one parcel to an individual or family.

## DISPOSITION OF PROCEEDS

Section 16 requires proceeds of transfers or dispositions to be covered into the Treasury as miscellaneous receipts, with the following exceptions:

1. Where property was acquired with reimbursable funds, the net proceeds of sale shall be credited to the reimbursable fund.

2. Agencies disposing of property may deposit an appropriate amount of the proceeds in a special account with the Treasurer of the United States, to be withdrawn for refunds to purchasers when a disposition is rescinded or does not become final, or for payments for breach of warranty.

3. Contract clauses authorizing the crediting to the contract price of the proceeds of sale of property in the custody of the contractor or subcontractor, are to be observed.

4. Proceeds other than United States legal tender are to be converted into legal tender by the disposal agency, which meanwhile may retain, preserve, and manage them. Disposal agencies may also take appropriate action with respect to mortgages, liens, or other security acquired or retained by them.

## USE OF APPROPRIATED FUNDS

Section 17 (b) contains the customary provision authorizing appropriations for administering the act. No legislation is needed to make available to each Government agency, for the disposition of property and for its care and handling, and for the completion of semifabricated property, funds already available to it for such purposes, but section 17 (a) authorizes the use by an agency for such purposes of funds appropriated, allocated, or available to it for the purpose of production or procurement of such property. No legislation is needed to authorize a Government agency to use, in payment for transfer to it of surplus property, funds available to it for acquisition of property of the same kind.

## DELEGATION OF AUTHORITY

Section 18 (a) authorizes the Administrator to delegate to any Deputy Administrator or Assistant Administrator, any authority or discretion conferred upon him, and to delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

Section 18 (b) authorizes the head of a Government agency to delegate, and to provide for successive redelegation of, any of his authority and discretion under the act to any subordinate, or, with the approval of the Administrator, to any other Government agency.

Section 18 (c) provides for the joint exercise by two or more Government agencies of authority and discretion conferred upon each individually under the act.

## APPLICABILITY

Section 19 provides that all policies and procedures relating to surplus property, prescribed by the Surplus War Property Administration established by Executive Order 9425 or by any other Government agency, in effect upon the enactment of the act, shall, if not inconsistent with the act, remain in force until superseded by regulations under the act.

Section 20 (a) provides that the act shall not limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

Section 20 (b) repeats that the act is applicable to property within or outside the United States. It authorizes the Administrator, when he deems any provision of the act would obstruct the efficient and economic disposition of property located outside the continental United States or in Alaska, to exempt dispositions of such property from such provision.

Section 21 (a) of the committee amendment provides that the authority conferred by the act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent with the act. The act is not to impair or affect any authority for the disposition of property under any other law, but the Administrator may prescribe regulations for the disposition of surplus property under such other law just as if the disposition were under this act, if he deems such action necessary to effectuate this act.

Section 21 (b) of the committee amendment provides that the act is not to impair or affect—

- (1) The Emergency Price Control Act of 1942, as amended;
- (2) The Stabilization Act of 1942, as amended;
- (3) Section 301 of the Second War Powers Act, 1942, relating to allocations and priorities;
- (4) The Lend-Lease Act, as amended;
- (5) Any act supplemental to any of the foregoing;
- (6) Any law regulating the exportation of property from the United States.

## EFFECTIVE DATE AND EXPIRATION

Under section 22 of the committee amendment the act (effective from the date of enactment) will expire at the end of 3 years following the date of cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

## SEPARABILITY

Section 23 of the committee amendment contains the usual separability provision.



## SHORT TITLE

Section 24 of the committee amendment provides that the act may be cited as the "Surplus Property Act of 1944."

The following are the reports forwarded to the committee by various Government agencies whose views on the bill the committee requested:

WAR DEPARTMENT,  
Washington, D. C., August 7, 1944.

HON. CARTER MANASCO,  
*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives.*

DEAR MR. MANASCO: The War Department recommends the enactment of H. R. 5125, Seventy-eighth Congress, a bill to provide for the disposal of surplus Government property and plants, and for other purposes, upon which you have requested a report, subject to the amendment suggested below.

The War Department has consistently advocated the creation of a central agency in the Government to be charged with the authority and responsibility for the disposition of surplus property. The principal reason for the creation of a central agency, so far as the War Department is concerned, is that the Army is not now, and will not, after the war, be organized to undertake the merchandising of large amounts of surplus property. Aside from the lack of personnel and administrative organization for economic and commercial functions of this character, which are beyond the scope of War Department responsibilities, disposal of surplus property of the War Department is only a part, although a substantial part, of the problem of disposing of surplus property of all Federal agencies. A unified policy and coordinated administration with respect to the disposition of surplus property of every character and from every source is essential to eliminate competition among the agencies of the Government, to avoid discrimination between purchasers, and to properly carry out the policies established by Congress.

For these reasons, representatives of the War Department participated in drafting the proposed bill recently submitted to your committee and to other committees of the Congress by Mr. William L. Clayton, Surplus War Property Administrator. With the exception hereafter noted, H. R. 5125 embodies substantially the provisions of that proposed bill, with certain amendments suggested by the Attorney General and others, with which the War Department is in agreement.

The War Department considers that H. R. 5125 embodies the best features of the numerous measures covering this subject which have been recently introduced.

The one provision of H. R. 5125 which was not contained in the bill proposed by the Surplus War Property Administrator, and to which the War Department has serious objections, is the provision in section 7 (a) to the effect that after the cessation of hostilities in the present war, the Surplus Property Administrator shall have power to require a determination by any owning agency that any property is surplus to its needs and responsibilities. The War Department considers that this division of authority is administratively impracticable, is inconsistent with the basic responsibility of the Department, and impinges upon the functions of the Congress. In time of peace, as well as war, the responsibility for the national defense rests upon the War and Navy Departments and the Congress. This responsibility necessarily carries with it the duty and authority to determine what weapons and equipment are necessary for war or defense. The programs developed by the military services are submitted to and approved by Congress in the appropriation acts. No agency outside of the military Departments would have the knowledge or current developments in military science, of strategic plans, or of the changing scope of training requirements, to make sound decisions as to types or quantities of supplies and equipment which are required at any given time to properly meet the responsibility for preparedness. The authority of the War and Navy Departments to administer the programs for defense, under the control of Congress would in effect be nullified by the power which this section would vest in the Surplus War Property Administrator.

For these reasons, the War Department urges that H. R. 5125 be amended by eliminating the last sentence of section 7 (a).

Subject to the elimination of this provision, the War Department believes that the prompt enactment of H. R. 5125 would materially assist and expedite the orderly disposition of surplus war property.

The War Department is unable to estimate the fiscal effect of enactment of this measure.

The Bureau of the Budget advises that there is no objection to the submission of this report, subject to the understanding that no commitment should be made at this time as to the relationship to the program of the President of each and every provision of this and the other bills in the surplus property disposal field that are now before the Congress.

Sincerely yours,

ROBERT P. PATTERSON,  
*Acting Secretary of War.*

NAVY DEPARTMENT,  
*Washington 25, D. C., July 5, 1944.*

#### MEMORANDUM

From: Capt. L. L. Strauss.

To: The Secretary of the Navy.

Subject: Request of Chairman Manasco for comment on H. R. 5082, H. R. 5119, and H. R. 5125, relating to the disposition of surplus property.

1. You have requested that I advise you with respect to the three bills attached to Chairman Manasco's letter to you of June 29, 1944, H. R. 5082, H. R. 5119, and H. R. 5125, all of them relating to the disposition of surplus property and now under consideration in the House Committee on Expenditures in the Executive Departments.

2. H. R. 5082 proposes a National Surplus Property Disposal Board of seven members, appointed by the President with the advice and consent of the Senate. The Board is to select its own chairman. In addition the Board is to appoint a Director of Surplus Property who is to be the actual administrator of the property-disposal program. The Board is also to appoint within each State or appropriate smaller district a board to exercise general supervision over property disposal in such State or district. The Director is required to catalog all surplus property, to establish price differentials for sales to ultimate users and for sales for resale purposes, and to fix resale prices. It is made unlawful to resell surplus property "for any price in excess of the allowable mark-up."

3. Supplies of all surplus items are to be allocated among the respective States on a population basis. Where the demand within any State is in excess of the quantity available the State board is required to give preference, first to veterans, next to purchasers who desire to make purchases "for use in connection with their occupation or business," third, to nonprofit institutions, and fourth, to purchasers holding a certificate from the Smaller War Plants Corporation that the acquisition of the item will "significantly contribute to the success of a small scale enterprise."

4. In my opinion H. R. 5082 is not a well-conceived measure, and I recommend that the Navy Department object to its enactment. The administrative overlapping between the national board, the Director of Surplus Property Disposal, and the State and district boards would make successful administration impossible. The requirements with respect to pricing, allocation, and preferences are unrealistic, and their net effect would be to nullify the purposes of the bill.

5. H. R. 5119 proposes to establish an Office of Surplus War Property headed by a Director appointed by the President with the advice and consent of the Senate. The functions of the Office are to centralize responsibility for the disposal of any type or class of property in a single agency, to exercise general supervision and direction of the surplus war property disposal program, and to require observance by the disposal agencies of three policies: To secure a maximum return, to discourage speculation, and to encourage sales to veterans for the establishment and maintenance of their own small businesses or farms.

6. The bill is very brief, and fails to grant necessary disposal authority, to set up sufficiently comprehensive administrative machinery, or to prescribe in sufficient detail the policies which should govern administration. In my judgment it is entirely inadequate to solve the problems it deals with. I recommend that the Navy Department should not approve enactment of this measure.

7. H. R. 5125 is apparently based upon the draft submitted at its request to the War Contracts Subcommittee of the Senate Military Affairs Committee by W. L. Clayton, Surplus Property Administrator. The Clayton draft is printed in the report of the subcommittee dated June 5, 1944. It was prepared by a committee on which were represented all the agencies with a major interest in the procurement and disposal of Government property, including the Navy Department, and

reflects the views of this office as to the requirement for sound surplus property disposal legislation.

8. H. R. 5125 vests responsibility for surplus property disposal in a Surplus Property Administration headed by a Surplus Property Administrator appointed by the President with the consent of the Senate. He is to be assisted by a Surplus Property Advisory Board consisting of the heads of the various agencies most concerned with the procurement and disposal of property. A procedure for continuing Congressional scrutiny of property disposal activities is provided. The owning agencies are authorized to dispose of certain types of properties which can best be disposed of by them without transfer to a central agency. The bulk of the surplus property, however, is to be disposed of by central disposal agencies designated by the Administrator, in accordance with the policies prescribed in the act and the regulations of the Administrator. Synthetic rubber and aluminum plants are to be withheld from sale until a disposal plan has been submitted to Congress. Provision is made for transfer of surplus property between agencies, for the disposition of the proceeds of transfers, and for necessary delegations of authority. While its administrative machinery is simple and elastic, the bill provides comprehensively for the problems of surplus property disposal.

9. In one important respect H. R. 5125 differs from the draft submitted by Mr. Clayton. Section 7 (a) of the bill provides that for the duration of hostilities in the present war each owning agency shall have the exclusive authority to determine which property is surplus to its needs, but thereafter the Administrator shall have power to require such a determination. The Clayton draft did not grant this function to the Administrator. I cannot speak for the other agencies, but it seems clear to me that the Navy Department's responsibility in peacetime to safeguard the national defense and to prepare for any emergency cannot be discharged successfully if an outside authority can determine that property which the Navy deems essential should be disposed of as surplus.

10. If section 7 (a) were changed to eliminate the objection mentioned above, the Navy Department should, in my judgment, strongly recommend the early enactment of H. R. 5125 as essential to a successful and orderly solution of the surplus war property disposal problem.

LEWIS L. STRAUSS,  
*Captain, United States Naval Reserve.*

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RECONSTRUCTION FINANCE CORPORATION,  
*Washington, August 8, 1944.*

HON. CARTER MANASCO,  
*Chairman, Committee on Expenditures in the Executive Departments,*  
*Washington, D. C.*

DEAR MR. MANASCO: This is in response to the telephone request from your office for an expression of my views on H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes.

This bill, as you know, incorporates most of the provisions of a draft of a bill approved by the Surplus War Property Administrator, which was drafted by a committee composed of representatives of the staffs of various congressional committees and representatives of executive departments and agencies, including the Reconstruction Finance Corporation.

It is my view that the bill represents an improvement over other surplus property bills which have come to my attention. The underlying principles which are therein adopted to govern the disposal of surplus war property are sound, and in view of the urgent need for legislation in this field, I am of the opinion that it should be enacted at an early date in substantially its present form.

Sincerely,

SAM H. HUSBANDS,  
*Director, Surplus War Property.*

○



78TH CONGRESS  
2D SESSION

## [Report No. 1757]

JUNE 23, 1944

AUGUST 10, 1944

[Strike out all after the enacting clause and insert the part printed in italic]

1      *Be it enacted by the Senate and House of Representa-*  
2      *tives of the United States of America in Congress assembled,*

SECTION 1. The Congress hereby declares that the ob-  
 jectives of this Act are to facilitate and regulate the orderly  
 disposal of surplus property so as—

7        ~~(a)~~ to assure the most effective use of such prop-  
8        erty for the purposes of war and national defense;

1        ~~(b)~~ to facilitate the transition of enterprises from  
2        wartime to peacetime production and of individuals  
3        from wartime to peacetime employment;

4       ~~(c) to promote production, employment of labor,~~  
5       and utilization of the productive capacity, and the natu-  
6       ral and agricultural resources of the country;

7       ~~(d)~~ to avoid dislocations of the domestic economy  
8       and of international economic relations;

9           ~~(e) to discourage monopolistic practices, preserve~~  
10       and strengthen the competitive position of small business;

11           ~~(f)~~ to foster the wide distribution of surplus com-  
12       modities to consumers at fair prices;

13           ~~(g)~~ to effect broad and equitable distribution of sur-  
14       plus property; and

15        ~~(h)~~ to realize the highest obtainable return for  
16        the Government consistent with the maintenance and  
17        encouragement of a healthy competitive economy.

## 18 DEFINITIONS

19      ~~SEC. 2. As used in this Act—~~

(a) The term "Government agency" means any executive department, board, bureau, independent commission, or other agency in the executive branch of the Federal Government, and any corporation wholly owned and controlled by the United States.

25      ~~(b)~~ The term “owning agency” means a Government

1 agency having control of property at or before the time  
2 when it is determined to be surplus to the needs and responsi-  
3 bilities of that agency.

4 (c) The term "disposal agency" means any Govern-  
5 ment agency designated under this Act to handle disposition  
6 of one or more classes of surplus property.

7 (d) The term "property" means any interest in prop-  
8 erty, real or personal, owned by the United States or any  
9 Government agency, including, but not limited to, plants,  
10 facilities, equipment, machinery, accessories, parts, assem-  
11 blies, products, commodities, materials, and supplies of all  
12 kinds, whether new or used, and wherever located.

13 (e) The term "surplus property" means any property  
14 which has been determined to be surplus to the needs and  
15 responsibilities of the owning agency in accordance with  
16 section 7 of this Act.

17 (f) The term "contractor inventory" means (1) any  
18 property related to a terminated contract of any type with  
19 a Government agency or to a subcontract thereunder (except  
20 any machinery or equipment subject to a separate contract  
21 or contract article specifically governing its use or dis-  
22 position); and (2) any property acquired under a cost-  
23 plus-a-fixed-fee contract and in excess of the amounts needed  
24 to complete performance thereunder; and (3) any property  
25 which the Government is obligated to take over under any



1 type of contract as a result of any change in the specifications  
2 or plans thereunder.

3       (g) The term "care and handling" includes repairing,  
4 converting, rehabilitating, operating, maintaining, preserv-  
5 ing, protecting, insuring, storing, packing, handling, and  
6 transporting.

7       (h) The term "option" means any contractual right to  
8 retain or acquire any property at a price and upon terms  
9 prescribed or determined by the contract.

10       (i) The term "person" means any individual, corpora-  
11 tion, partnership, firm, association, trust, estate, or other  
12 entity.

13       (j) The term "Administrator" means the Surplus Prop-  
14 erty Administrator.

#### 15                   SURPLUS PROPERTY ADMINISTRATOR

16       SEC. 3. (a) There is hereby established the Surplus  
17 Property Administration which shall be headed by a Surplus  
18 Property Administrator. The Administrator shall be ap-  
19 pointed by the President by and with the consent of the  
20 Senate, shall receive compensation at the rate of \$12,000 per  
21 year, and shall serve for a term of two years.

22       (b) The Administrator may, within the limits of funds  
23 which may be made available, employ and fix the compen-  
24 sation of necessary personnel without regard to the provisions  
25 of the civil-service laws and the Classification Act of 1923

1 and make expenditures for supplies, facilities, and services  
2 necessary for the performance of his functions under this Act.  
3 The Administrator shall perform the duties imposed upon  
4 him through the personnel and facilities of the established  
5 Government agencies so far as consistent with his duty to  
6 insure uniform and efficient administration of the provisions  
7 of this Act.

8 (c) The Administrator shall have general supervision  
9 and direction over ~~(1)~~ the care and handling and dispo-  
10 sition of surplus property and ~~(2)~~ the transfer of surplus  
11 property between Government agencies.

12 SURPLUS PROPERTY BOARD

13 SEC. 4. There is hereby created a Surplus Property  
14 Advisory Board with which the Administrator shall advise  
15 and consult. The Board shall be composed of the Admin-  
16 istrator, who shall act as its Chairman, and of the Secre-  
17 tary of State, the Secretary of the Treasury, the Secretary  
18 of War, the Secretary of the Navy, the Attorney General,  
19 the Secretary of Commerce, the Secretary of the Interior,  
20 the Chairman of the Board of Directors of Smaller War  
21 Plants Corporation, the Chairman of the United States Mari-  
22 time Commission, the Chairman of the War Production  
23 Board, the Director of the Bureau of the Budget, the Admin-  
24 istrator of the War Food Administration, the Administrator  
25 of the Federal Works Agency, the Chairman of the Civil

1 Aeronautics Board, and the Administrator of the Foreign  
2 Economic Administration, or any alternate or representative  
3 designated by any of them.

4 SURVEILLANCE BY CONGRESS

5 SEC. 5. (a) To assist the Congress in appraising the  
6 administration of this Act and in developing such amend-  
7 ments or related legislation as may be necessary to accom-  
8 plish the objectives of the Act, the appropriate committees  
9 of the Senate and the House of Representatives shall study  
10 the reports and information submitted to the Congress under  
11 this Act and shall otherwise maintain continuous surveillance  
12 of the operations of the Government agencies under the Act.

13 (b) Within three months after the enactment of this  
14 Act, and thereafter in January, April, July, and October  
15 of each year, the Administrator shall submit to the Senate  
16 and House of Representatives a quarterly progress report  
17 on the exercise of his authority and discretion under this  
18 Act, the status of surplus property disposition, and such  
19 other pertinent information on the administration of the  
20 Act as will enable the Congress to evaluate its administra-  
21 tion and the need for amendments and related legislation.

22 (c) The Administrator shall submit to the Senate and  
23 House of Representatives copies of the regulations prescribed  
24 by him from time to time under this Act within thirty days  
25 after the effective date of such regulations.



## PLANNING

SEC. 6. (a) The Administrator shall formulate as rapidly as possible detailed plans—

(1) for the care and handling, and disposition of surplus property in accordance with this Act;

(2) for converting to civilian production by private industry as rapidly as war needs and conditions permit any Government-owned plants which are not needed for national defense and are capable of use for civilian production; and

(3) for facilitating the most economical use and disposition of Government-owned plants which are not needed for national defense but are not capable of use for civilian production.

(b) The Administrator shall make such studies as he deems necessary for the formulation of such plans or shall cause such studies to be made by other Government agencies.

## DECLARATION OF SURPLUS PROPERTY

SEC. 7. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. For the duration of hostilities in the present war, such determination shall be the exclusive province of the owning agencies, but thereafter the Administrator shall have power to require such a deter-

1 mination upon a finding by him that any property is surplus  
2 to the needs and responsibilities of an owning agency.

3       (b) Each owning agency shall promptly report to the  
4 appropriate disposal agency all surplus property in its con-  
5 trol which the owning agency does not dispose of under  
6 section 8.

7                               DISPOSITION BY OWNING AGENCY

8       SEC. 8. (a) Any owning agency may dispose of any  
9 property for the purpose of war production or authorize any  
10 contractor with such agency or subcontractor thereunder to  
11 retain or dispose of any contractor inventories for the pur-  
12 pose of war production, subject only to the regulations of the  
13 Administrator with respect to price policies.

14       (b) Subject to subsection (c) of this section, any own-  
15 ing agency may dispose of—

16               (1) any property which is damaged or worn beyond  
17 economical repair;

18               (2) any waste, salvage, scrap, or other similar  
19 items;

20               (3) any products of industrial, research, agricul-  
21 tural, or livestock operations, or of any public works  
22 construction or maintenance project, carried on by such  
23 agency;

24               (4) any contractor inventory in its control; and

1           ~~(5) any other class or type of surplus property~~  
2           designated by the Administrator.

3       (c) Whenever he deems such action necessary to effec-  
4       tuate the objectives and policies of this Act, the Administrator,  
5       by regulations, shall restrict the authority of any owning  
6       agency to dispose of any class of surplus property under  
7       subsection (b) of this section.

## 8 DISPOSAL AGENCIES

9        SEC. 9. (a) The Administrator, by regulations, shall  
10 designate one or more Government agencies to act as dis-  
11 posal agencies under this Act and shall prescribe the class  
12 or classes of surplus property to be handled by each such  
13 agency: *Provided, however,* That the United States Maritime  
14 Commission shall be the sole disposal agency for merchant  
15 vessels or vessels capable of conversion to merchant use, and  
16 that such vessels shall be disposed of in accordance with the  
17 provisions of the Merchant Marine Act, 1936, as amended,  
18 and other laws authorizing the sale of such vessels.

19       (b) When any surplus property is reported to it under  
20 subsection (b) of section 7, the disposal agency shall have  
21 responsibility and authority for the disposition of such prop-  
22 erty, and for the care and handling of such property pending  
23 its disposition. Where any disposal agency is not prepared,  
24 at the time of its designation under this Act, to undertake



1 the care and handling of such surplus property, the Adminis-  
2 trator may postpone the responsibility of the agency to  
3 assume its duty for care and handling for such period as  
4 he deems necessary to permit its preparation therefor, but  
5 the owning agency shall be reimbursed, pursuant to sub-  
6 section (b) of section 17, for its expenses for the care and  
7 handling of such surplus property during such period.

8 (c) The Administrator, by regulations, shall prescribe  
9 policies, standards, methods, and procedures to govern the  
10 exercise by any disposal agency of its authority under sub-  
11 section (b) of this section.

#### 12 TRANSFERS BETWEEN AGENCIES

13 SEC. 10. (a) The Administrator shall establish pro-  
14 cedures to facilitate the transfer to each Government agency,  
15 for the performance of its functions, of surplus property of  
16 other Government agencies. Each Government agency shall  
17 make the fullest practicable use of surplus property in order  
18 to avoid unnecessary commercial purchases.

19 (b) The disposal agency responsible for any such prop-  
20 erty shall transfer it to the agency acquiring it at the fair  
21 value of the property as fixed by the disposal agency, under  
22 regulations of the Administrator, unless transfer without  
23 reimbursement or transfer of funds is otherwise authorized  
24 by law.

## METHODS OF DISPOSITION

SEC. 11. (a) Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper.

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any non-profit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property.

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this Act.

(d) A deed, bill of sale, lease, or other instrument exe-

1 euted by or on behalf of any Government agency purporting  
 2 to transfer title or any other interest in property under this  
 3 Act shall be conclusive evidence of compliance with the pro-  
 4 visions of this Act insofar as title or other interest of any  
 5 bona fide purchasers for value is concerned.

#### 6 POLICIES GOVERNING DISPOSITION

7 SEC. 12. In formulating regulations to govern the care  
 8 and handling and disposition of surplus property under this  
 9 Act, the Administrator shall be guided by the objectives  
 10 stated in section 1 of this Act, and shall give effect to the  
 11 following policies to the extent feasible, and in the public  
 12 interest:

13 (a) To facilitate transfers of surplus property of one  
 14 Government agency to other Government agencies for their  
 15 use.

16 (b) To afford public, governmental, educational, chari-  
 17 table, and eleemosynary institutions and cooperative organi-  
 18 zations an opportunity to fulfill their legitimate needs.

19 (c) To afford returning veterans an opportunity to estab-  
 20 lish themselves as proprietors of agricultural and business  
 21 enterprises.

22 (d) To afford smaller business concerns and agricul-  
 23 tural enterprises generally an opportunity to acquire surplus  
 24 property on equal terms with larger competitors; to prescribe  
 25 regulations and issue directives necessary to provide as far



1 as practicable for uniform and wide public notice concerning  
2 surplus property available for sale and for adequate time  
3 intervals between notice and sale so that all interested pur-  
4 chasers shall have a fair opportunity to buy; to utilize com-  
5 mercial channels of distribution to the extent consistent with  
6 efficient and economic distribution; and to discourage sales  
7 to speculators; to collaborate with Smaller War Plants Cor-  
8 poration and to employ other appropriate means to give  
9 effect to this section.

10 (c) To afford former owners of surplus real property  
11 acquired by the Government by the exercise of its war powers  
12 an opportunity to reacquire such property.

13 (d) To encourage mutually beneficial trade relations with  
14 foreign nations and to develop foreign markets.

15 (e) To dispose of surplus property as promptly as fea-  
16 sible without fostering monopoly or restraint of trade, or  
17 unduly disturbing the economy, or encouraging hoarding  
18 of such property; and to facilitate prompt redistribution of  
19 such property to consumers.

20 (h) To realize the highest obtainable return for the  
21 Government from such surplus property, consistent with the  
22 policies and objectives set forth in this Act.

23 DISPOSITION OF PLANTS

24 SEC. 43 Nothing in this Act shall impair, amend, or  
25 modify the antitrust laws or limit or prevent their applica-

1 tion to persons who buy or otherwise acquire property under  
2 the provisions of this Act. Upon the request of the Attor-  
3 ney General the Administrator or any other Government  
4 agency shall furnish or cause to be furnished to the Attorney  
5 General such information as the Administrator or any such  
6 agency may possess which the Attorney General determines  
7 to be pertinent to the application of the antitrust laws to  
8 the disposition of surplus property under the provisions of  
9 this Act. As used in this section, the term "antitrust laws"  
10 includes the Act of July 2, 1890 (ch. 26, Stat. 209),  
11 as amended; the Act of October 15, 1914 (ch. 323, 38  
12 Stat. 730), as amended; the Federal Trade Commission  
13 Act; and the Act of August 27, 1894 (ch. 349, sec. 73,  
14 74, 28 Stat. 570), as amended.

15 SEC. 14. (a) No Government agency shall dispose of  
16 any surplus Government-owned plant for the production  
17 of synthetic rubber, or aluminum, which originally cost the  
18 Government \$5,000,000 or more, except in accordance with  
19 this section or pursuant to an option therefor.

20 (b) The Administrator may authorize any disposal  
21 agency to lease any such surplus plant for a term of not  
22 more than five years.

23 (c) The Administrator shall prepare and submit to  
24 Congress a report as to each class of such property—

25 (1) describing the number, cost, and location of

1 such surplus plants and setting forth other descriptive  
2 information relative to the use and potential use thereof;

3 ~~(2)~~ outlining the economic problems that may be  
4 created by the disposition thereof;

5 ~~(3)~~ setting forth a plan or program for the care and  
6 handling, disposition, and use thereof consistent with the  
7 policies and objectives of this Act; and

8 ~~(4)~~ describing any steps already taken with respect  
9 to the care and handling, disposition, and use of the  
10 property, including any contracts relating thereto.

11 The Administrator shall request Government agencies to  
12 submit information and suggestions for use in the preparation  
13 of such reports and shall encourage States, political subdivi-  
14 sions thereof, and private persons to submit such information  
15 and suggestions, and he shall submit to the Congress, together  
16 with each such report, copies or summaries of such informa-  
17 tion and suggestions. After six months from the submission  
18 of a report hereunder, unless the Congress provides other-  
19 wise by law, the Administrator may authorize the appro-  
20 priate disposal agencies to dispose of such property in accord-  
21 ance with the plan or program proposed in the report to  
22 Congress.

23 ~~(d)~~ The Administrator may authorize any disposal  
24 agency to dispose of any materials or equipment related to  
25 any surplus plant covered by subsection ~~(a)~~ of this section;



1 if such materials and equipment are not necessary for the  
2 operation of the plant in the manner for which it is designed.

3 ~~(e)~~ This section shall not apply to any Government-  
4 owned equipment, structure, or other property operated as  
5 an integral part of a privately owned plant and not capable  
6 of economic operation as a separate and independent unit.

7 REGULATIONS

8 SEC. 15. The Administrator shall prescribe regulations  
9 to effectuate the provisions of this Act. Each Government  
10 agency shall carry out such regulations of the Administrator  
11 expeditiously, and shall issue such regulations with respect  
12 to its operations and procedures as may be necessary for  
13 that purpose. Any Government agency may issue such  
14 further regulations not inconsistent with the regulations of  
15 the Administrator as it deems necessary and desirable to  
16 carry out the provisions of this Act. The regulations pre-  
17 scribed under this Act shall be published in the Federal  
18 Register.

19 GENERAL PROVISIONS

20 SEC. 16. (a) Each Government agency shall submit to  
21 the Administrator (1) such information and reports with  
22 respect to surplus property in its control, in such form and  
23 at such times as the Administrator may direct; and (2) in-  
24 formation and reports with respect to other property in its

1 control, to such extent, and in such form as the agency  
2 deems consistent with national security.

3     ~~(b)~~ Any Government agency may execute such docu-  
4 ments for the transfer of title or other interest in property  
5 or take such other action as it deems necessary or proper  
6 to transfer or dispose of surplus property or otherwise to  
7 carry out the provisions of this Act, and shall do so to the  
8 extent required by the regulations of the Administrator.

9     ~~(c)~~ Where any property is disposed of in accordance  
10 with this Act and any regulations prescribed under this Act,  
11 no officer or employee of the Government shall ~~(1)~~ be liable  
12 with respect to such disposition except for his own fraud or  
13 ~~(2)~~ be accountable for the collection of any purchase price  
14 which is determined to be uncollectible by the agency re-  
15 sponsible therefor.

16     ~~(d)~~ Any interested Government agency may take such  
17 action for the care and handling of property subject to dis-  
18 position under this Act, and for completion of any semi-  
19 fabricated property, as it deems necessary or desirable to  
20 effectuate the objectives and policies of this Act.

21     ~~(e)~~ Each disposal agency shall maintain in each of its  
22 disposal offices such records of its inventories of surplus prop-  
23 erty and of each disposal transaction negotiated by that office  
24 as the Administrator may prescribe. The information in

1 such records shall be available at all reasonable times for  
2 public inspection.

3 (f) Nothing in this Act shall be deemed to impair or  
4 modify any contract or any term or provision of any contract  
5 without the consent of the contractor, if the contract or the  
6 term or provision thereof is otherwise valid.

7 DISPOSITION OF PROCEEDS

8 SEC. 17. (a) All proceeds from any transfer or disposi-  
9 tion of property under this Act shall be deposited and cov-  
10 ered into the Treasury as miscellaneous receipts, except as  
11 provided in subsections (b), (c), (d), and (e) of this  
12 section.

13 (b) From the proceeds of such transfers or dispositions,  
14 the agency may deduct all expenses incurred for the care  
15 and handling, completion, and transfers or dispositions of  
16 such property under this Act, and may reimburse the fund  
17 or appropriation bearing such expenses, or the corresponding  
18 fund or appropriation currently available at the time of  
19 reimbursement.

20 (c) Where the property transferred or disposed of was  
21 acquired by the use of funds either not appropriated from  
22 the general fund of the Treasury or appropriated from the  
23 general fund of the Treasury but by law reimbursable from  
24 assessment, tax, or other revenue or receipts, then upon the  
25 request of the interested agency the proceeds of the disposi-



tion or transfer remaining after any deductions under subsection (b) of this section shall be credited to the reimbursable fund or appropriation or paid to the owning agency.

(d) To the extent authorized by the Administrator, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty; and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(e) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.

#### USE OF APPROPRIATED FUNDS

SEC. 18. (a) Any Government agency is authorized to use for the disposition of property under this Act and for its completion, care, and handling, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or

1 available to it for such purposes or for the purpose of pro-  
2 duction or procurement of such property.

3       (b) Any Government agency is authorized to use in  
4 payment for the transfer to it of any surplus property under  
5 this Act any funds heretofore or hereafter appropriated, allo-  
6 cated, or available to it for the acquisition of property of the  
7 same kind.

8       (c) There are authorized to be appropriated such sums  
9 as may be necessary or appropriate for administering the  
10 provisions of this Act.

11                               DELEGATION OF AUTHORITY

12       SEC. 19. (a) The Administrator may delegate any au-  
13 thority and discretion conferred upon him by this Act to  
14 any Deputy Administrator, and may delegate such authority  
15 and discretion, upon such terms and conditions as he may  
16 prescribe, to the head of any Government agency to the  
17 extent necessary to the handling and solution of problems  
18 peculiar to that agency.

19       (b) The head of any Government agency may delegate,  
20 and authorize successive redelegations of, any authority and  
21 discretion conferred upon him or his agency by or pursuant  
22 to this Act to any officer, agent, or employee of such agency  
23 or, with the approval of the Administrator, to any other  
24 Government agency.

25       (c) Any two or more Government agencies may exer-

1 erse jointly any authority and discretion conferred upon each  
2 of them individually by or pursuant to this Act.

## ~~APPLICABILITY~~

4        SEC. 20. All policies and procedures relating to surplus  
5 property prescribed by the Surplus War Property Adminis-  
6 tration, created by Executive Order Numbered 9425, dated  
7 February 19, 1944, or any other Government agency, in  
8 effect upon the effective date of this Act, and not inconsistent  
9 with this Act, shall remain in full force and effect unless  
10 and until superseded by regulations of the Administrator or  
11 of the agency in accordance with this Act.

12        SEC. 24. (a) Nothing in this Act shall limit or affect  
13 the authority of commanders in active theaters of military  
14 operations to dispose of property in their control.

(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Administrator may exempt from some or all of the provisions hereof, dispositions of property located outside of the continental United States or in Alaska, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

23        SEC. 22: (a) The authority conferred by this Act is  
24    in addition to any authority conferred by any other law and  
25    shall not be subject to the provisions of any law inconsistent



1 herewith. This Act shall not impair or affect any authority  
2 for the disposition of property under any other law, except  
3 that the Administrator may prescribe regulations to govern  
4 any disposition of surplus property under any such authority  
5 to the same extent as if the disposition were made under this  
6 Act, whenever he deems such action necessary to effectuate  
7 the objectives and policies of this Act.

8       (b) Nothing in this Act shall impair or affect the pro-  
9 visions of the Emergency Price Control Act of 1942, as  
10 amended; or the Act of October 2, 1942 (ch. 578, 56 Stat.  
11 765), as amended; or of section 301 of the Second War  
12 Powers Act, 1942; or of the Act of March 11, 1941 (55  
13 Stat. 31), as amended; or Acts supplemental thereto, or of  
14 any law regulating the exportation of property from the  
15 United States.

16                               EFFECTIVE DATE; EXPIRATION

17       SEC. 23. This Act shall become effective from the date  
18 of its enactment. Unless extended by law, this Act shall  
19 expire at the end of three years following the date of the  
20 cessation of hostilities in the present war, as proclaimed by  
21 the President or by concurrent resolution of the two Houses  
22 of Congress.

23                               SEPARABILITY OF PROVISIONS

24       SEC. 24. If any provision of this Act, or the application  
25 of such provision to any person or circumstance, is held

5 SEC. 25. This Act may be cited as the "Surplus  
6 Property Act of 1944".

8        *SECTION 1. The Congress hereby declares that the ob-*  
9        *jectives of this Act are to facilitate and regulate the orderly*  
10       *disposal of surplus property so as—*

13 (b) to facilitate the transition of enterprises from  
14 wartime to peacetime production and of individuals  
15 from wartime to peacetime employment;

16           (c) to promote production, employment of labor,  
17           and utilization of the productive capacity and the natu-  
18           ral and agricultural resources, of the country;

19 (d) to avoid dislocations of the domestic economy  
20 and of international economic relations;

21 (e) to discourage monopolistic practices, preserve  
22 and strengthen the competitive position of small business;

23 (f) to foster the wide distribution of surplus com-  
24 modities to consumers at fair prices;

1           (g) to effect broad and equitable distribution of sur-  
2       plus property; and

3           (h) to realize the highest obtainable return for  
4       the Government consistent with the maintenance and  
5       encouragement of a healthy competitive economy.

6 *DEFINITIONS*

7      *SEC. 2. As used in this Act—*

8        (a) The term “Government agency” means an execu-  
9        tive department or independent agency in the executive branch  
10       of the Federal Government, and any corporation wholly  
11       owned (either directly or through one or more corporations)  
12       by the United States.

(b) The term “owning agency”, in the case of any property, means the Government agency having control of such property otherwise than solely as a disposal agency.

16 (c) The term "disposal agency" means any Govern-  
17 ment agency designated under section 8 of this Act to dispose  
18 of one or more classes of surplus property.

19 (d) The term "property" means any interest, owned  
20 by the United States or any Government agency, in real  
21 or personal property, of any kind, wherever located.

22 (e) The term “surplus property” means any property  
23 which has been determined to be surplus to the needs and  
24 responsibilities of the owning agency in accordance with  
25 section 6 of this Act.



1       (f) The term "contractor inventory" means (1) any  
2 property related to a terminated contract of any type with  
3 a Government agency or to a subcontract thereunder; and  
4 (2) any property acquired under a cost-plus-a-fixed-fee  
5 contract and in excess of the amounts needed to complete  
6 performance thereunder; and (3) any property which the  
7 Government is obligated to take over under any type of  
8 contract as a result of any change in the specifications or  
9 plans thereunder.

10       (g) The term "care and handling" includes repairing,  
11 converting, rehabilitating, operating, maintaining, preserv-  
12 ing, protecting, storing, packing, handling, and trans-  
13 porting.

14       (h) The term "option" means any contractual right  
15 to retain or acquire any property at a price and upon terms  
16 prescribed or determined by or under the contract.

17       (i) The term "person" means any individual, corpora-  
18 tion, partnership, firm, association, trust, estate, or other  
19 entity.

20       (j) The term "Administrator" means the Surplus Prop-  
21 erty Administrator.

22                   SURPLUS PROPERTY ADMINISTRATOR

23       SEC. 3. (a) There is hereby established the Surplus  
24 Property Administration which shall be headed by a Surplus

1 *Property Administrator. The Administrator shall be ap-*  
2 *pointed by the President by and with the advice and consent*  
3 *of the Senate and shall receive compensation at the rate of*  
4 *\$12,000 per year. The term of office of the Administrator*  
5 *shall be two years.*

6       *(b) The Administrator may, within the limits of funds*  
7 *which may be made available, employ and fix the compen-*  
8 *sation of necessary personnel in accordance with the pro-*  
9 *visions of the civil-service laws and the Classification Act of*  
10 *1923 and make expenditures for supplies, facilities, and*  
11 *services necessary for the performance of his functions under*  
12 *this Act. Without regard to the provisions of the civil-service*  
13 *laws and the Classification Act of 1923, he may appoint a*  
14 *Deputy Administrator, Assistant Administrators, and special*  
15 *assistants, and may employ certified public accountants, quali-*  
16 *fied cost accountants, industrial engineers, appraisers, and*  
17 *other experts, and fix their compensation, and contract with*  
18 *certified public accounting firms and qualified firms of engi-*  
19 *neers, in the discharge of the duties imposed upon him and*  
20 *in furtherance of the objectives and policies of this Act. The*  
21 *Administrator shall perform the duties imposed upon him*  
22 *through the personnel and facilities of the established Govern-*  
23 *ment agencies so far as consistent with his duty to insure*  
24 *uniform and efficient administration of the provisions of this*  
25 *Act.*

1       (c) *The Administrator shall have general supervision*  
 2 *and direction, as provided in this Act, over (1) the care and*  
 3 *handling and disposition of surplus property and (2) the*  
 4 *transfer of surplus property between Government agencies.*

5                   *SURPLUS PROPERTY ADVISORY BOARD*

6       *SEC. 4. There is hereby created a Surplus Property*  
 7 *Advisory Board with which the Administrator shall advise*  
 8 *and consult. The Board shall be composed of the Admin-*  
 9 *istrator, who shall act as its Chairman, and of the Secre-*  
 10 *tary of State, the Secretary of the Treasury, the Secretary*  
 11 *of War, the Secretary of the Navy, the Attorney General, the*  
 12 *Secretary of Commerce, the Secretary of the Interior, the*  
 13 *Secretary of Agriculture, the Secretary of Labor, the Chair-*  
 14 *man of the Board of Directors of Smaller War Plants Cor-*  
 15 *poration, the Chairman of the United States Maritime Com-*  
 16 *mission, the Chairman of the War Production Board, the*  
 17 *Administrator of the War Food Administration, the Ad-*  
 18 *ministrator of the Federal Works Agency, the Chairman of*  
 19 *the Civil Aeronautics Board, and the Administrator of the*  
 20 *Foreign Economic Administration, or any alternate or rep-*  
 21 *resentative designated by any of them.*

22                   *REPORTS TO CONGRESS*

23       *SEC. 5. (a) Within three months after the enactment of*  
 24 *this Act, and thereafter in January, April, July, and October*  
 25 *of each year, the Administrator shall submit to the Senate*



1 and House of Representatives a progress report on the  
2 exercise of his authority and discretion under this Act, the  
3 status of surplus property disposition, and such other per-  
4 tinent information on the administration of the Act as will  
5 enable the Congress to evaluate its administration and the  
6 need for amendments and related legislation.

7 (b) The Administrator shall submit to the Senate and  
8 House of Representatives copies of the regulations prescribed  
9 by him from time to time under this Act within thirty days  
10 after the publication of such regulations in the Federal  
11 Register.

12 DECLARATION OF SURPLUS PROPERTY

13 SEC. 6. (a) Each owning agency shall have the duty  
14 and responsibility continuously to survey the property in its  
15 control and to determine which of such property is surplus  
16 to its needs and responsibilities. If, in the course of the  
17 performance of his duties under this Act, the Administrator  
18 has reason to believe that any owning agency has property  
19 which is surplus to its needs and responsibilities which it has  
20 not reported as such, the Administrator shall promptly report  
21 that fact to the Senate and the House of Representatives.

22 (b) Each owning agency shall promptly report to the  
23 appropriate disposal agency all surplus property in its con-  
24 trol which the owning agency does not dispose of under  
25 section 7.

## 1                   DISPOSITION BY OWNING AGENCY

2       *SEC. 7. (a) Subject only to the regulations of the*  
3 *Administrator with respect to price policies, any owning*  
4 *agency may dispose of any property for the purpose of war*  
5 *production or authorize any contractor with such agency or*  
6 *subcontractor thereunder to retain or dispose of any con-*  
7 *tractor inventories for the purpose of war production.*

8       *(b) Subject to subsection (c) of this section, any own-*  
9 *ing agency may dispose of—*

10           *(1) any property which is damaged or worn beyond*  
11 *economical repair;*

12           *(2) any waste, salvage, scrap, or other similar*  
13 *items;*

14           *(3) any product of industrial, research, agricul-*  
15 *tural, or livestock operations, or of any public works*  
16 *construction or maintenance project, carried on by such*  
17 *agency;*

18           *(4) any contractor inventory in its control; and*

19           *(5) any class or type of surplus property in its*  
20 *control designated by the Administrator.*

21       *(c) Whenever he deems such action necessary to effec-*  
22 *tuate the objectives and policies of this Act, the Administrator,*  
23 *by regulations, shall restrict the authority of any owning*  
24 *agency to dispose of any class of surplus property under*  
25 *subsection (b) of this section.*

## DISPOSAL AGENCIES

1  
2       *SEC. 8. (a) The Administrator, by regulations, shall*  
3 *designate one or more Government agencies to act as dis-*  
4 *posal agencies under this Act and shall prescribe the class*  
5 *or classes of surplus property to be disposed of by each such*  
6 *agency: Provided, however, That the United States Maritime*  
7 *Commission shall be the sole disposal agency for merchant*  
8 *vessels or vessels capable of conversion to merchant use, and*  
9 *that such vessels shall be disposed of in accordance with the*  
10 *provisions of the Merchant Marine Act, 1936, as amended,*  
11 *and other laws authorizing the sale of such vessels.*

12       *(b) When any surplus property is reported to it under*  
13 *subsection (b) of section 6, the disposal agency shall have*  
14 *responsibility and authority for the disposition of such prop-*  
15 *erty, and for the care and handling of such property pending*  
16 *its disposition. Where the disposal agency is not prepared,*  
17 *at the time of its designation under this Act, to undertake*  
18 *the care and handling of such surplus property, the Adminis-*  
19 *trator may postpone the responsibility of the agency to*  
20 *assume its duty for care and handling for such period*  
21 *as he deems necessary to permit its preparation therefor.*

22       *(c) The Administrator, by regulations, shall prescribe*  
23 *policies, standards, methods, and procedures to govern the*  
24 *exercise by any disposal agency of its authority under sub-*  
25 *section (b) of this section.*



## TRANSFERS BETWEEN AGENCIES

SEC. 9. (a) The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

## METHODS OF DISPOSITION

SEC. 10. (a) Wherever any Government agency is authorized to dispose of property under this Act, then, notwithstanding the provisions of any other law but subject to the provisions of this Act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper.

*Page's Market Copy Rec. Aug 16, 18.*

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition

1 *would exceed the estimated proceeds, the agency may donate*  
2 *such property to any agency or institution supported by the*  
3 *Federal Government or any State or local government, or*  
4 *to any nonprofit educational or charitable organization, or,*  
5 *if that is not feasible, shall destroy or otherwise dispose of*  
6 *such property.*

7       *(c) The Administrator, by regulations, shall prescribe*  
8 *such policies governing prices and other terms and condi-*  
9 *tions of dispositions under the authority of subsections (a)*  
10 *and (b) of this section, as he deems necessary to effectuate*  
11 *the objectives and policies of this Act.*

12       *(d) A deed, bill of sale, lease, or other instrument exe-*  
13 *cuted by or on behalf of any Government agency purporting*  
14 *to transfer title or any other interest in property under this*  
15 *Act shall be conclusive evidence of compliance with the pro-*  
16 *visions of this Act insofar as title or other interest of any*  
17 *bona fide purchasers for value is concerned.*

18                   POLICIES GOVERNING DISPOSITION

19       *SEC. 11. In formulating regulations to govern the care*  
20 *and handling and disposition of surplus property under this*  
21 *Act, the Administrator shall be guided by the objectives stated*  
22 *in section 1 of this Act, and shall give effect to the following*  
23 *policies to the extent feasible, and in the public interest:*

24       *(a) To facilitate transfers of surplus property of one*

1 *Government agency to other Government agencies for their*  
2 *use.*

3       *(b) To afford public, governmental, educational, chari-*  
4 *table, and eleemosynary institutions, States, Territories, their*  
5 *political subdivisions, and the District of Columbia, and co-*  
6 *operative organizations, an opportunity to fulfill their legit-*  
7 *imate needs.*

8       *(c) To afford returning veterans an opportunity to estab-*  
9 *lish themselves as proprietors of agricultural, business, and*  
10 *professional enterprises.*

11       *(d) To encourage and foster post-war employment op-*  
12 *portunities.*

13       *(e) To afford smaller business concerns, farmers, and*  
14 *agricultural enterprises generally an opportunity to acquire*  
15 *surplus property on equal terms with larger competitors; to*  
16 *provide as far as practicable for uniform and wide public*  
17 *notice concerning surplus property available for disposition*  
18 *and for adequate time intervals between notice and disposition*  
19 *so that all interested persons shall have a fair opportunity to*  
20 *acquire; to utilize commercial channels of distribution to the*  
21 *extent consistent with efficient and economic distribution, and*  
22 *to discourage disposition to speculators; to collaborate with*  
23 *Smaller War Plants Corporation; and to employ other appro-*  
24 *priate means to give effect to this subsection.*



1       (f) To afford former owners of surplus real property  
2       acquired by the Government by the exercise of its war powers  
3       an opportunity to reacquire such property.

4       (g) To encourage mutually beneficial trade relations  
5       with foreign nations and to develop foreign markets.

6       (h) To dispose of surplus property as promptly as fea-  
7       sible without fostering monopoly or restraint of trade, or  
8       unduly disturbing the economy, or encouraging hoarding  
9       of such property; and to facilitate prompt redistribution of  
10      such property to consumers.

11      (i) To prevent insofar as possible unusual and excessive  
12      profits being made out of surplus property.

13      (j) To realize the highest obtainable return for the  
14      Government from such surplus property, consistent with the  
15      policies and objectives set forth in this Act.

16                                   DISPOSITION OF PLANTS

17      SEC. 12. Nothing in this Act shall impair, amend, or  
18      modify the antitrust laws or limit or prevent their applica-  
19      tion to persons who buy or otherwise acquire property under  
20      the provisions of this Act. Upon the request of the Attor-  
21      ney General the Administrator or any other Government  
22      agency shall furnish or cause to be furnished to the Attorney  
23      General such information as the Administrator or any such  
24      agency may possess which the Attorney General determines  
25      to be pertinent to the application of the antitrust laws to

1 the disposition of surplus property under the provisions of  
2 this Act. As used in this section, the term "antitrust laws"  
3 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),  
4 as amended; the Act of October 15, 1914 (ch. 323, 38 Stat.  
5 730), as amended; the Federal Trade Commission Act;  
6 and the Act of August 27, 1894 (ch. 349, secs. 73, 74,  
7 28 Stat. 570), as amended.

8       SEC. 13. (a) No Government agency shall dispose of  
9 any surplus Government-owned plant for the production of  
10 synthetic rubber, or aluminum, which cost the Government  
11 \$5,000,000 or more, except in accordance with this section  
12 or pursuant to an option therefor.

13       (b) The Administrator may authorize any disposal  
14 agency to lease any such surplus plant for a term of not  
15 more than five years.

16       (c) The Administrator shall prepare and submit to  
17 Congress a report as to each class of such property—

18           (1) describing the number, cost, and location of  
19 such surplus plants and setting forth other descriptive  
20 information relative to the use and potential use thereof;

21           (2) outlining the economic problems that may be  
22 created by the disposition thereof;

23           (3) setting forth a plan or program for the care and  
24 handling, disposition, and use thereof consistent with the  
25 policies and objectives of this Act; and

1           (4) describing any steps already taken with respect  
2       to the care and handling, disposition, and use of the  
3       property, including any contracts relating thereto.

4       The Administrator shall request Government agencies to  
5       submit information and suggestions for use in the preparation  
6       of such reports and shall encourage States, political subdivi-  
7       sions thereof, and private persons to submit such information  
8       and suggestions, and he shall submit to the Congress, together  
9       with each such report, copies or summaries of such informa-  
10      tion and suggestions. After six months from the submission  
11      of a report hereunder, unless the Congress provides other-  
12      wise by law, the Administrator may authorize the appro-  
13      priate disposal agencies to dispose of such property in accord-  
14      ance with the plan or program proposed in the report to  
15      Congress.

16       (d) The Administrator may authorize any disposal  
17      agency to dispose of any materials or equipment related to  
18      any surplus plant covered by subsection (a) of this section,  
19      if such materials and equipment are not necessary for the  
20      operation of the plant in the manner for which it is designed.

21       (e) This section shall not apply to any Government-  
22      owned equipment, structure, or other property operated as  
23      an integral part of a privately owned plant and not capable  
24      of economic operation as a separate and independent unit.



## REGULATIONS

1  
2       *SEC. 14. The Administrator shall prescribe regulations*  
3 *to effectuate the provisions of this Act. Each Government*  
4 *agency shall carry out regulations of the Administrator*  
5 *expeditiously, and shall issue such regulations with respect*  
6 *to its operations and procedures as may be necessary for*  
7 *that purpose. Any Government agency may issue such*  
8 *further regulations not inconsistent with the regulations of*  
9 *the Administrator as it deems necessary and desirable to*  
10 *carry out the provisions of this Act. The regulations pre-*  
11 *scribed under this Act shall be published in the Federal*  
12 *Register.*

## GENERAL PROVISIONS

13  
14       *SEC. 15. (a) Each Government agency shall submit to*  
15 *the Administrator (1) such information and reports with*  
16 *respect to surplus property in its control, in such form and*  
17 *at such times as the Administrator may direct; and (2) in-*  
18 *formation and reports with respect to other property in its*  
19 *control, to such extent, and in such form as the agency*  
20 *deems consistent with national security.*

21       *(b) Any Government agency may execute such docu-*  
22 *ments for the transfer of title or other interest in property*  
23 *or take such other action as it deems necessary or proper*  
24 *to transfer or dispose of property or otherwise to carry out*

1 *the provisions of this Act, and, in the case of surplus property,*  
2 *shall do so to the extent required by the regulations of the*  
3 *Administrator.*

4 (c) *Where any property is disposed of in accordance*  
5 *with this Act and any regulations prescribed under this Act,*  
6 *no officer or employee of the Government shall (1) be liable*  
7 *with respect to such disposition except for his own fraud or*  
8 *(2) be accountable for the collection of any purchase price*  
9 *which is determined to be uncollectible by the agency*  
10 *responsible therefor.*

11 (d) *Any Government agency responsible for the care*  
12 *and handling of any property may take such action for the*  
13 *care and handling of such property, and for completion of*  
14 *any semifabricated property, as it deems necessary or desir-*  
15 *able to effectuate the objectives and policies of this Act.*

16 (e) *Each disposal agency shall maintain in each of its*  
17 *disposal offices such records of its inventories of surplus prop-*  
18 *erty and of each disposal transaction negotiated by that office*  
19 *as the Administrator may prescribe. The information in*  
20 *such records shall be available at all reasonable times for*  
21 *public inspection.*

22 (f) *Nothing in this Act shall be deemed to impair or*  
23 *modify any contract or any term or provision of any contract*  
24 *without the consent of the contractor, if the contract or the*  
25 *term or provision thereof is otherwise valid.*

1       (g) In disposing of surplus agricultural lands in the  
2 United States, former owners shall be given a reasonable  
3 time, to be fixed by the Administrator, in which to repur-  
4 chase their original tracts, at a price not exceeding that paid  
5 them by the Government, except where the value of such  
6 tract has been increased by the Government. Except for the  
7 above provisions, such land shall be sold when practicable, in  
8 family size parcels, no more than one such parcel being sold  
9 to any one family or individual, and such sale being made  
10 insofar as possible to persons who expect to live upon and  
11 cultivate such land. This subsection shall apply only to land  
12 acquired after July 1, 1940.

13                   DISPOSITION OF PROCEEDS

14       SEC. 16. (a) All proceeds from any transfer or dis-  
15 position of property under this Act shall be deposited and  
16 covered into the Treasury as miscellaneous receipts, except  
17 as provided in subsections (b), (c), (d), and (e) of this  
18 section.

19       (b) Where the property transferred or disposed of was  
20 acquired by the use of funds either not appropriated from  
21 the general fund of the Treasury or appropriated from the  
22 general fund of the Treasury but by law reimbursable from  
23 assessment, tax, or other revenue or receipts, then upon the  
24 request of the interested agency the net proceeds of the dispo-  
25 sition or transfer shall be credited to the reimbursable fund



1 or appropriation or paid to the owning agency. As used in  
2 this subsection the term "net proceeds of the disposition or  
3 transfer" means the proceeds of the disposition or transfer  
4 minus all expenses incurred for care and handling, com-  
5 pletion of semifabricated property, and disposition or transfer.

6 (c) To the extent authorized by the Administrator,  
7 any Government agency disposing of property under this  
8 Act (1) may deposit, in a special account with the Treasurer  
9 of the United States, such amount of the proceeds of such  
10 dispositions as it deems necessary to permit appropriate  
11 refunds to purchasers when any disposition is rescinded or  
12 does not become final, or payments for breach of any war-  
13 ranty, and (2) may withdraw therefrom amounts so to be  
14 refunded or paid, without regard to the origin of the funds  
15 withdrawn.

16 (d) Where a contract or subcontract authorizes the  
17 proceeds of any sale of property in the custody of the con-  
18 tractor or subcontractor to be credited to the price or cost  
19 of the work covered by such contract or subcontract, the  
20 proceeds of any such sale shall be credited in accordance  
21 with the contract or subcontract and shall not be subject to  
22 subsection (a) of this section.

23 (e) Where property is transferred or disposed of under  
24 this Act for any consideration other than legal tender of the  
25 United States, the disposal agency shall convert such con-

1 *sideration into legal tender of the United States as rapidly*  
2 *as it deems practicable, and pending such conversion, shall*  
3 *retain, preserve, and manage such consideration, in such*  
4 *manner as it deems appropriate. Where the disposal agency*  
5 *acquires or retains any mortgage, lien, or other interest as*  
6 *security in connection with any transfer or disposition of*  
7 *property under this Act, the disposal agency shall retain,*  
8 *preserve, and manage such security and may enforce and*  
9 *settle any right of the Government with respect thereto in*  
10 *such manner and upon such terms as it deems in the best*  
11 *interest of the Government. The Administrator may pre-*  
12 *scribe regulations to govern the exercise of the authority*  
13 *granted under this subsection.*

14 *USE OF APPROPRIATED FUNDS*

15 *SEC. 17. (a) Any Government agency is authorized to*  
16 *use for the disposition of property under this Act, and for its*  
17 *care and handling, and for the completion of semifabricated*  
18 *property, pending such disposition, any funds heretofore*  
19 *or hereafter appropriated, allocated, or available to it for*  
20 *the purpose of production or procurement of such property.*

21 *(b) There are authorized to be appropriated such sums*  
22 *as may be necessary or appropriate for administering the*  
23 *provisions of this Act.*

24 *DELEGATION OF AUTHORITY*

25 *SEC. 18. (a) The Administrator may delegate any au-*

1 *thority and discretion conferred upon him by this Act to*  
2 *any Deputy Administrator or Assistant Administrator, and*  
3 *may delegate such authority and discretion, upon such terms*  
4 *and conditions as he may prescribe, to the head of any Gov-*  
5 *ernment agency to the extent necessary to the handling and*  
6 *solution of problems peculiar to that agency.*

7       *(b) The head of any Government agency may delegate,*  
8 *and authorize successive redelegations of, any authority and*  
9 *discretion conferred upon him or his agency by or pursuant*  
10 *to this Act to any officer, agent, or employee of such agency*  
11 *or, with the approval of the Administrator, to any other*  
12 *Government agency.*

13       *(c) Any two or more Government agencies may exer-*  
14 *cise jointly any authority and discretion conferred upon each*  
15 *of them individually by or pursuant to this Act.*

#### 16                                   APPLICABILITY

17       *SEC. 19. All policies and procedures relating to surplus*  
18 *property prescribed by the Surplus War Property Adminis-*  
19 *tration, created by Executive Order Numbered 9425, dated*  
20 *February 19, 1944, or any other Government agency, in*  
21 *effect upon the effective date of this Act, and not inconsistent*  
22 *with this Act, shall remain in full force and effect unless*  
23 *and until superseded by regulations of the Administrator or*  
24 *of the agency in accordance with this Act.*



1        *SEC. 20. (a) Nothing in this Act shall limit or affect*  
2        *the authority of commanders in active theaters of military*  
3        *operations to dispose of property in their control.*

4        *(b) The provisions of this Act shall be applicable to*  
5        *dispositions of property within the United States and else-*  
6        *where, but the Administrator may exempt from some or*  
7        *all of the provisions hereof, dispositions of property located*  
8        *outside of the continental United States or in Alaska, when-*  
9        *ever he deems that such provisions would obstruct the efficient*  
10       *and economic disposition of such property in accordance with*  
11       *the objectives of this Act.*

12       *SEC. 21. (a) The authority conferred by this Act is*  
13       *in addition to any authority conferred by any other law and*  
14       *shall not be subject to the provisions of any law inconsistent*  
15       *herewith. This Act shall not impair or affect any authority*  
16       *for the disposition of property under any other law, except*  
17       *that the Administrator may prescribe regulations to govern*  
18       *any disposition of surplus property under any such authority*  
19       *to the same extent as if the disposition were made under this*  
20       *Act, whenever he deems such action necessary to effectuate*  
21       *the objectives and policies of this Act.*

22       *(b) Nothing in this Act shall impair or affect the pro-*  
23       *visions of the Emergency Price Control Act of 1942, as*  
24       *amended; or the Act of October 2, 1942 (ch. 578, 56 Stat.*

1 765), as amended; or of section 301 of the Second War  
2 Powers Act, 1942; or of the Act of March 11, 1941 (55  
3 Stat. 31), as amended; or Acts supplemental thereto, or of  
4 any law regulating the exportation of property from the  
5 United States.

6 *EFFECTIVE DATE; EXPIRATION*

7 *SEC. 22. This Act shall become effective from the date*  
8 *of its enactment. Unless extended by law, this Act shall*  
9 *expire at the end of three years following the date of the*  
10 *cessation of hostilities in the present war, as proclaimed by*  
11 *the President or by concurrent resolution of the two Houses*  
12 *of Congress.*

13 *SEPARABILITY OF PROVISIONS*

14 *SEC. 23. If any provision of this Act, or the application*  
15 *of such provision to any person or circumstance, is held*  
16 *invalid, the remainder of this Act or the application of such*  
17 *provision to persons or circumstances other than those as to*  
18 *which it is held invalid, shall not be affected thereby.*

19 *SHORT TITLE*

20 *SEC. 24. This Act may be cited as the "Surplus*  
21 *Property Act of 1944".*





Union Calendar No. 592

78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5125**

[Report No. 1757]

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## **A BILL**

To provide for the disposal of surplus Government property and plants, and for other purposes.

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By Mr. COLMER

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JUNE 28, 1944

Referred to the Committee on Expenditures in the  
Executive Departments

AUGUST 10, 1944

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

H. R. 5125, BY REP. COLMER, AS  
REPORTED BY THE COMMITTEE ON  
EXPENDITURES IN THE EXECUTIVE  
DEPARTMENTS, AUGUST 10, 1944,  
AS COMPARED WITH THE CLAYTON  
DRAFT

Sec. 1. Objectives.- Same as Clayton draft, except that subsection (e) omits the objective of promoting fair prices to consumers.

Sec. 2. Definitions.- Same as Clayton draft, except for clarifying language changes and the omission of the exception in the term "contract or inventory" of "any machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition."

Sec. 3. Surplus Property Administrator.- Generally the same as the Clayton draft except that (b) limits the authority of the Administrator to employ and fix the compensation of personnel without regard to the civil service laws and the Classification Act, to the employment of a deputy administrator, assistant administrators, and experts.

Sec. 4. Surplus Property Advisory Board.- Same as Clayton draft, except that the Secretary of Agriculture and the Secretary of Labor are added to the Board, and the Director of the Bureau of the Budget is omitted.

Sec. 5. Reports to Congress.- Same as Clayton draft, except that subsection (a) of the Clayton draft, relative to obligation of congressional committees to maintain surveillance is omitted and the date of submission of Administrator's regulations to Congress is changed to 30 days after the publication thereof in the Federal Register.

(Sec. 6. Planning, of Clayton draft is omitted.)

Sec. 6. Declaration of Surplus Property.- Same as section 7 of the Clayton draft, except that it adds a provision that if the Administrator has reason to believe that any owning agency has surplus property which it has not reported as such, the Administrator shall promptly report that fact to the Congress.

Sec. 7. Disposition by Owning Agency.- Same as section 8 of the Clayton draft, except for immaterial changes in language.

Sec. 8. Disposal Agencies.- Same as section 9 of the Clayton draft, except for immaterial changes in language and the omission of the provision in subsection (b) providing for reimbursement for care and handling by owning agencies from proceeds of disposal where assumption of responsibility for care and handling by disposal agency is postponed.

Sec. 9. Transfer Between Government Agencies.- Same as section 10 of the Clayton draft.

Sec. 10. Methods of Disposition.- Same as section 11 of the Clayton draft, except for immaterial changes in language.

Sec. 11. Policies Governing Disposition.— (a) Same as subsection (a) of section 12 of the Clayton draft.

(b) Adds "States, territories, their political subdivisions, and the District of Columbia" to those bodies which are afforded an opportunity to fulfill their needs.

(c) Adds "professional" enterprises to the enterprises with respect to which veterans are afforded an opportunity to purchase.

(e) Corresponds generally with section 12(d) of the Clayton draft, except for immaterial changes in language and the addition of "farmers" to those who are to be afforded an opportunity to acquire on equal terms with large competitors.

Adds a new subsection (d) which provides that one of the policies shall be to encourage and foster postwar employment opportunities, and a new subsection

(i) which provides that disposal shall be made so as to prevent unusual and excessive profits.

Sec. 12. Disposition of Plants.— Whereas section 13 of the Clayton draft imposes the obligation on the Administrator to watch for anti-trust violations and report and clear any dubious disposal with the Attorney General, this corresponding section merely provides that the anti-trust laws are not superseded in any way by this act, and that the Administrator, on request by the Attorney General or other agency, shall give necessary information.

Sec. 13. Synthetic Rubber and Aluminum Plants.— Generally the same as section 14 of the Clayton draft, but prescribes in detail the nature of information to be submitted to Congress under subsection (c).

(Sec. 15, Options, of Clayton draft is omitted.)

Sec. 14. Regulations.— Same as section 16 of Clayton draft.

Sec. 15. General Provisions.— Subsections (a), (c), (e) and (f) are the same as those subsections in section 17 of the Clayton draft.

(b) Same as section 17(b) of the Clayton draft, except that it provides that in carrying out the provisions of the act any Government agency may execute documents for transfer of interest in "property" rather than "surplus property" and, in the case of surplus property, shall do so to the extent required by the Administrator's regulations.

(d) Limits the agency which may take action for care, handling, and completion to the agency responsible for such care, etc., rather than "any interested Government agency."

Adds a new subsection (g) which provides that in disposing of surplus agricultural lands acquired by the United States after July 1, 1940, former owners shall be given a reasonable time to repurchase their original tracts at not to exceed the price paid by the Government, except where the value has been increased by the Government. Where agricultural lands are not so purchased, they shall be sold, when practicable, in family-size parcels, one to each individual or family and, in so far as possible, to persons who expect to live upon and cultivate such land.

Sec. 16. Disposition of Proceeds.— Same as section 18 of the Clayton draft except that:



Eliminates subsection (b) of the Clayton draft which permits charging out of proceeds for expense of disposal.

Subsection (b) of this bill provides that where property is originally acquired from funds which may be reimbursed, the expenses of care, handling, and completion are first to be deducted and the remainder of the proceeds from disposition credited to the fund from which property was acquired.

Adds a new subsection (e) which provides that where property is transferred or disposed of for consideration other than legal tender, the disposal agency shall convert such consideration into legal tender as soon as practicable and, pending such conversion, shall retain, preserve and manage such consideration. Where a disposal agency acquires or retains any mortgage, lien or other interest as security, it shall retain, preserve, and manage such security and enforce and settle any right of the Government with respect thereto in such manner as it deems best. Administrator may prescribe regulations to govern the exercise of the authority granted under this subsection.

Sec. 17. Use of Appropriated Funds.— Same as section 19 of the Clayton draft except that:

(a) Limits the use of funds for completion to the "completion of semi-fabricated property".

Omit subsection (b) of the Clayton draft, which authorizes Government agencies to use funds appropriated for the acquisition of any particular property to acquire property of the same kind under the act.

Sec. 18. Delegation of Authority.— Same as section 20 of the Clayton draft, except that assistant administrators are added to those to whom the Administrator may delegate.

(Sec. 21, Penalties, of the Clayton draft is omitted.)

Sec. 19. Effect on E. O. 4295.— Same as section 22 of the Clayton draft.

Sec. 20. Applicability.— Same as section 23 of the Clayton draft.

Sec. 21. Effect on other laws.— Same as section 24 of the Clayton draft.

Sec. 22. Effective date; expiration.— Same as section 25 of the Clayton draft.

Sec. 23. Separability of Provisions.— Same as section 26 of the Clayton draft.

Sec. 24. Short Title.— Same as section 27 of the Clayton draft.

1890  
The first of the year  
was a very dry one  
and the crops were  
very poor. The  
weather was very  
warm and the  
crops were very  
poor. The  
weather was very  
warm and the  
crops were very  
poor.

The second of the year  
was a very wet one  
and the crops were  
very good. The  
weather was very  
cool and the  
crops were very  
good.

The third of the year  
was a very dry one  
and the crops were  
very poor. The  
weather was very  
warm and the  
crops were very  
poor.

The fourth of the year  
was a very wet one  
and the crops were  
very good. The  
weather was very  
cool and the  
crops were very  
good.

The fifth of the year  
was a very dry one  
and the crops were  
very poor. The  
weather was very  
warm and the  
crops were very  
poor.

The sixth of the year  
was a very wet one  
and the crops were  
very good. The  
weather was very  
cool and the  
crops were very  
good.

The seventh of the year  
was a very dry one  
and the crops were  
very poor. The  
weather was very  
warm and the  
crops were very  
poor.

The eighth of the year  
was a very wet one  
and the crops were  
very good. The  
weather was very  
cool and the  
crops were very  
good.

78TH CONGRESS  
2D SESSION

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, AUGUST 8), 1944

Mr. STEWART (for himself, Mr. MURRAY, and Mr. TAFT) introduced the following bill; which was read twice and referred to the Committee on Military Affairs

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## A BILL

To establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the Congress hereby declares that the objective of this
- 4 Act is to govern the disposal of surplus war property so as—
- 5 (a) To assure the most effective use of such property
- 6 for war purposes;
- 7 (b) To achieve the prompt and full utilization thereof;
- 8 (c) To promote maximum production and employment



1 of the manpower and the natural and agricultural resources  
2 of all sections of the country;

3 (d) To effect broad and equitable distribution of sur-  
4 plus property;

5 (e) To facilitate the transition of enterprises from war-  
6 time to peacetime production and of individuals from war-  
7 time to peacetime employment;

8 (f) To strengthen and preserve the competitive posi-  
9 tion of small business concerns in an economy of free enter-  
10 prise;

11 (g) To aid honorably discharged servicemen to estab-  
12 lish and maintain their own small business or agricultural  
13 enterprises;

14 (h) To protect free markets and competitive prices from  
15 dislocations resulting from uncontrolled dumping of surplus  
16 property;

17 (i) To discourage monopolistic practices and assure  
18 fair prices to the consumer;

19 (j) To utilize normal channels of trade and commerce  
20 (without discriminating against the establishment of new  
21 enterprises) and assure the sale of such surpluses in such  
22 quantities and on such terms as will discourage disposals to  
23 speculators or for speculative purposes;

24 (k) To establish and develop foreign markets and pro-  
25 mote mutually advantageous economic relations between the

1 United States and other countries through the programmed  
2 export of such surpluses; and

3 (1) To obtain the highest return for the Government  
4 consistent with the foregoing objectives.

5 SURPLUS PROPERTY ADMINISTRATOR

6 SEC. 2. (a) There is hereby established in the Office  
7 of War Mobilization, and in the office of its successor, should  
8 it be abolished, the Surplus War Property Administration  
9 (hereinafter called the "Administration"), at the head of  
10 which shall be a Surplus War Property Administrator (here-  
11 inafter called the "Administrator"). The Administrator  
12 shall be appointed by the President, by and with the advice  
13 and consent of the Senate, and shall receive compensation  
14 at the rate of \$12,000 per annum. The term of office of the  
15 Administrator shall be two years.

16 SURPLUS PROPERTY BOARD

17 (b) The Administrator shall regularly advise and con-  
18 sult with a Surplus War Property Board. Such Board shall  
19 be composed of one representative each of the State Depart-  
20 ment, Treasury Department, War Department, Navy De-  
21 partment, Justice Department, Reconstruction Finance Cor-  
22 poration, Smaller War Plants Corporation, United States  
23 Maritime Commission, War Production Board, War Food  
24 Administration, Federal Works Agency, Civil Aeronautics  
25 Board, and the Foreign Economic Administration, as desig-

1 nated by the respective department, board, or agency heads;  
2 and two representatives each of industry, labor, and agricul-  
3 ture, who shall be appointed by the Administrator and com-  
4 pensated in accordance with the provisions of section 8.

5 (c) The Administrator may, without regard to the civil-  
6 service laws, rules, and regulations and the Classification  
7 Act of 1923, as amended, employ and fix the compensation  
8 of such Deputy Administrators and other officers and em-  
9 ployees, and may make such expenditures for supplies, facil-  
10 ities, and services, as may be necessary to carry out the  
11 provisions of this Act.

12 ADMINISTRATOR'S DUTIES AND AUTHORITY

13 SEC. 3. Subject to the general supervision of the Direc-  
14 tor of War Mobilization, and the provisions of this Act, and  
15 notwithstanding the provisions of any existing law, it shall  
16 be the function and duty of the Administrator—

17 (a) To supervise and direct the handling and disposi-  
18 tion of surplus war property by the Government in accordance  
19 with objectives and policies of this Act;

20 (b) To supervise and direct the transfer of any surplus  
21 war property in the possession of any Government agency  
22 to any other Government agency;

23 (c) To assign surplus property for disposal by the fewest  
24 number of Federal agencies practicable and to centralize in  
25 one disposal agency responsibility for the disposal of all



1 property of the same type or class: *Provided*, That the dis-  
2 posal of all types of surplus property abroad may be cen-  
3 tralized in one disposal agency;

4 (d) To prescribe regulations and issue directives neces-  
5 sary to provide, so far as practicable, for uniform and wide  
6 public notice concerning surplus property available for sale,  
7 and for uniform and adequate time intervals between notice  
8 and sale so that all interested purchasers shall have a fair  
9 opportunity to buy;

10 (e) To prescribe regulations and issue directives neces-  
11 sary to carry out the provisions of this Act; and no Govern-  
12 ment agency shall transfer or dispose of surplus property in  
13 contravention of such regulations or directives; and

14 (f) To formulate and issue as rapidly as possible detailed  
15 plans—

16 (1) for the care and handling and disposition of  
17 surplus property in accordance with this Act;

18 (2) for converting to civilian production by private  
19 industry as rapidly as war needs and conditions permit,  
20 any Government-owned plants which are not needed for  
21 national defense and are capable of use for civilian pro-  
22 duction;

23 (3) for facilitating the most economical use and dis-  
24 position of Government-owned plants which are not

1       needed for national defense but are not capable of use  
2       for civilian production;

3           (4) for disposition of surplus Government-owned  
4       transportation facilities and equipment in such manner  
5       as to promote an adequate and economical national trans-  
6       portation system, preserving the inherent advantages of  
7       each mode of transportation and providing service at  
8       reasonable and nondiscriminatory rates and charges; and

9           (5) for removal of any existing discriminations  
10       affecting the disposal and use of Government-owned  
11       plants and property, in accordance with this Act.

12       SEC. 4. (a) The Administrator may delegate any au-  
13       thority and discretion conferred upon him by this Act to  
14       any deputy Administrator, and may delegate such author-  
15       ity and discretion, upon such terms and conditions as he  
16       may prescribe, to the head of any Government agency to  
17       the extent necessary to the handling and solution of problems  
18       peculiar to that agency.

19           (b) The head of any Government agency may delegate,  
20       and authorize successive redelegations of, any authority and  
21       discretion conferred upon him or his agency by or pursuant  
22       to this Act to any officer, agent, or employee of such agency  
23       or, with the approval of the Administrator, to any other  
24       Government agency.

25           (c) Any two or more Government agencies may exer-

1 cise jointly any authority and discretion conferred upon each  
2 of them individually by or pursuant to this Act.

3 (d) In carrying out the purposes of this Act, the admin-  
4 istration may utilize the services of any other Government  
5 agency.

6 (e) Notwithstanding the provisions of any other Act,  
7 the Administrator is authorized to dispose of surplus property  
8 in accordance with the provisions of this Act.

9 SEC. 5. The Administrator is authorized to prescribe  
10 such restrictions on the return to the United States of sur-  
11 plus war property which has been disposed of abroad or sold  
12 in this country for export as he determines to be necessary  
13 to prevent the return of such property from interfering with  
14 the objectives and policies of this Act. The imposition of  
15 these restrictions shall be enforced through the Treasury  
16 Department.

17 SURVEILLANCE BY CONGRESS

18 SEC. 6 (a) To assist the Congress in appraising the  
19 administration of this Act and in developing such amend-  
20 ments or related legislation as may be necessary to accom-  
21 plish the objectives of the Act, the appropriate committees  
22 of the Senate and the House of Representatives shall study  
23 the reports and information submitted to the Congress under  
24 this Act and shall otherwise maintain continuous surveillance  
25 of the operations of the Government agencies under the Act.



1       (b) Within three months after the enactment of this  
2 Act, and thereafter in January, April, July, and October  
3 of each year, the Administrator shall submit to the Senate  
4 and House of Representatives a quarterly progress report  
5 on the exercise of his authority and discretion under this  
6 Act, the status of surplus property disposition, and such other  
7 pertinent information on the administration of the Act as  
8 will enable the Congress to evaluate its administration and  
9 the need for amendments and related legislation.

10       (c) The Administrator shall submit to the Senate and  
11 House of Representatives copies of the regulations prescribed  
12 by him from time to time under this Act within thirty days  
13 after the effective date of such regulations.

14                               BUREAU OF THE BUDGET

15       SEC. 7. It shall be the duty of the Bureau of the  
16 Budget subject to provisions of subsections (b) and (e) of  
17 section 3.

18       (a) To coordinate the inventory records of surplus war  
19 property in the possession or control of Government agencies;

20       (b) To prescribe suitable standards and procedures  
21 which, so far as practicable, shall be uniform, for the inven-  
22 tory and classification of surplus property and for the transfer  
23 thereof among Government agencies; and to devise and pre-  
24 scribe the forms and records for sale or other transfer to  
25 insure property and uniform accountability control; and

1 (c) To receive and review and approve or deny appli-  
2 cations of Government agencies (other than the War Depart-  
3 ment, Navy Department, and Maritime Commission) for  
4 surplus property for the purpose of acquiring such property  
5 in their behalf from surplus stocks as hereinafter provided in  
6 section 11.

7 ADVISORY COMMITTEES

8 SEC. 8. Each Government agency charged with respon-  
9 sibility for disposal of surplus war property shall organize  
10 advisory committees with which it shall consult regarding  
11 policies and procedures to govern disposal of the various  
12 classes of surplus property under this Act. Such committees  
13 shall be fairly representative of—

14 (a) The larger business units of the interested trade or  
15 industry, including its wholesale and retail distributors, if  
16 any;

17 (b) The small business units, therein, including dis-  
18 tributors;

19 (c) The labor groups interested therein; and

20 (d) Interested farm, consumer, and other groups, if any.

21 When engaged in the business of the Administration,  
22 all members of such advisory committees shall be entitled  
23 to compensation at the rate of \$15 per diem, and actual

1 traveling expenses and subsistence expenses (not in excess  
2 of \$10 per diem) while away from their homes.

3                   DECLARATION OF SURPLUS PROPERTY

4       SEC. 9. Every Government agency shall have the duty  
5 and responsibility continuously to survey the property in its  
6 possession or control and to determine which of such prop-  
7 erty is surplus to its needs and responsibilities. For the  
8 duration of hostilities in the present war, such determina-  
9 tion shall be the exclusive province of the owning agencies.  
10 Following cessation of hostilities, the Administrator shall  
11 have authority to require full information concerning any  
12 property in the control of any owning agency and may upon  
13 his own determination declare it or any part of it surplus  
14 to the needs and responsibilities of such agency. If in the  
15 opinion of the owning agency the retention of any property  
16 so declared by the Administrator to be surplus is essential  
17 to the national security such agency may appeal from such  
18 declaration to the President for a final determination. Each  
19 Government agency shall submit to the Administrator such  
20 information and reports with respect to surplus war prop-  
21 erty in such form and at such times as the Administrator  
22 shall direct. When requested by the Administrator, a Gov-  
23 ernment agency shall execute such documents for the trans-  
24 fer of title or for any other purposes or take such steps as  
25 the Administrator shall determine to be necessary or proper



1 to transfer or dispose of surplus war property or otherwise  
2 to carry out the provisions of the Act.

### 3 AGENCY INVENTORIES

4 SEC. 10. Every agency engaged in the disposition of sur-  
5 plus property shall maintain in each of its disposal offices  
6 full records of the inventories of surplus property of such  
7 office and of each of the disposal transactions negotiated by  
8 such office and shall make such records available for inspec-  
9 tion by the public.

### 10 TRANSFERS BETWEEN AGENCIES

11 SEC. 11. (a) The Administrator shall to the maximum  
12 extent practicable, by regulation, directive, or otherwise, give  
13 priority in the disposition of surplus property to the following  
14 Government agencies which shall have the right to acquire  
15 surplus property in the order and manner, and for the pur-  
16 poses following:

17 (1) The War Department, Navy Department, and  
18 Maritime Commission may acquire surplus property  
19 necessary for the prosecution of the war or for purposes  
20 of national defense and security, or may direct the dis-  
21 position thereof to any person engaged in war production.

22 (2) The Bureau of the Budget may direct the trans-  
23 fer of surplus property to any Government agency (other  
24 than the War Department, Navy Department, and Mari-  
25 time Commission) which demonstrates a need therefor.

1       Such transfer shall be made upon such terms and with  
2       such charge to the appropriation of the transferee for  
3       the value thereof as the Bureau of the Budget shall pre-  
4       scribe in accordance with existing law.

5       (b) The Administrator shall resolve any conflict be-  
6       tween Government agencies over priorities in the acquisition  
7       of surplus property in such manner as will, in his judgment,  
8       best effectuate the objectives of this Act.

9                               DISPOSAL TO LOCAL GOVERNMENTS

10       SEC. 12. The Administrator may prescribe regulations  
11       to provide for the disposition of surplus property to States,  
12       and political subdivisions thereof, and to tax-supported and  
13       non-profit institutions, as follows:

14       (a) Surplus property which has been acquired by the  
15       Federal Government for school, classroom, or other educa-  
16       tional use may be transferred to the Office of Education in  
17       the Federal Security Administration for donation to tax-sup-  
18       ported educational institutions, and, within the discretion of  
19       the Commissioner of Education, to other non-profit educa-  
20       tional institutions.

21       (b) Surplus medical supplies and equipment may be  
22       transferred to the United States Public Health Service in the  
23       Federal Security Administration for donation to tax-supported  
24       medical institutions, and, within the discretion of the Surgeon

1 General of the Public Health Service, to hospitals or other  
2 similar institutions not operated for profit.

3 (c) Surplus property for which the estimated cost of  
4 handling, storage, and sale would exceed the estimated pro-  
5 ceeds of commercial sale, may be donated to States, political  
6 subdivisions thereof, or tax-supported institutions.

7 (d) Any surplus property may be sold or leased to  
8 States, political subdivisions thereof, or tax-supported insti-  
9 tutions at discounts not to exceed 50 per centum of the sale  
10 or lease market value thereof, as the case may be.

11 (e) The benefits of subsections (c) and (d) of this  
12 section may in the discretion of the Administrator be extended  
13 to charitable and eleemosynary institutions and other non-  
14 profit organizations.

15 DISPOSITION BY OWNING AGENCY

16 SEC. 13. (a) Any owning agency may dispose of any  
17 property for the purpose of war production or authorize  
18 any contractor with such agency or subcontractor thereunder  
19 to retain or dispose of any contractor inventories for the  
20 purpose of war production, subject only to the regulations  
21 of the Administrator with respect to price policies.

22 (b) Subject to subsection (c) of this section and to  
23 the provisions of section 19, any owning agency may  
24 dispose of—



1           (1) any property which is damaged or worn beyond  
2           economical repair;

3           (2) any waste, salvage, scrap, or other similar  
4           items;

5           (3) any physical products of industrial, research,  
6           agricultural, or livestock operations, or of any public  
7           works construction or maintenance project, carried on by  
8           such agency;

9           (4) any contractor inventory in its control; and

10          (5) any other class or type of surplus property  
11          designated by the Administrator.

12          (c) The Administrator shall have the responsibility for  
13          reviewing the disposal actions and the decisions with respect  
14          to the classification of property of the owning agencies under  
15          this section to assure the fulfillment of the objectives and  
16          policies of this Act and whenever he finds it necessary he  
17          shall restrict by regulation or rescind the authority of any  
18          owning agency to dispose of any class of surplus property  
19          under subsection (b) of this section.

20                               POLICIES GOVERNING DISPOSITION

21          SEC. 14. In formulating regulations to govern the care  
22          and handling and disposition of surplus property under this  
23          Act, the Administrator shall be guided by the objectives stated  
24          in section 1 of this Act, and shall give effect to the following  
25          policies to the extent feasible, and in the public interest.

1 (a) To facilitate transfers of surplus property of one  
2 Government agency to other Government agencies for their  
3 use.

4 (b) To afford public, governmental, educational, chari-  
5 table, and eleemosynary institutions and cooperative organi-  
6 zations an opportunity to fulfill their legitimate needs.

7 (c) To afford former owners of surplus real property  
8 acquired by the Government an opportunity to reacquire  
9 such property.

10 (d) To effectuate the objective of this Act to aid honor-  
11 ably discharged veterans to establish and maintain their own  
12 small business or agricultural enterprises by assigning such  
13 veterans suitable preferences to the extent feasible and con-  
14 sistent with the policies of this Act in the acquisition of the  
15 types of surplus property useful in such enterprises. The  
16 Administrator in cooperation with the Administrator of  
17 Veterans' Affairs shall prepare and submit to Congress  
18 within six months after enactment of this Act, a report  
19 setting forth the feasible means planned to effectuate the  
20 objectives of this subsection. -

21 SMALL BUSINESS

22 SEC. 15. (a) It shall be the duty of the Administrator  
23 and he is hereby authorized and directed to devise ways and  
24 means and prescribe appropriate regulations and directives  
25 to prevent any discrimination against small business in the

1 disposal and distribution and use of any Government prop-  
2 erty covered by this Act. To that end the Administrator  
3 shall cause the owning and disposal agencies to adopt and  
4 pursue the following measures:

5 (1) Arrange for the widest practicable notice by  
6 the advertisement or otherwise to be issued and dis-  
7 seminated by the agencies so that large and small enter-  
8 prises will be reasonably informed of the property  
9 offered for sale and the terms and conditions thereof.

10 (2) Reduce lots or blocks of any items offered for  
11 sale to the smallest practicable units conforming with  
12 marketing policy in the agency concerned so that they  
13 will be within the reach of small business enterprises.

14 (3) In appropriate cases in the discretion of the  
15 agency or the Administrator, arrange for sales on credit  
16 or time bases, or such other terms or conditions as will  
17 preserve the competitive position of small business enter-  
18 prises in the purchase or acquisition of surplus property  
19 and accord them a fair opportunity for the acquisition  
20 thereof.

21 (b) Subject to the authority of the Administrator, the  
22 Smaller War Plants Corporation is hereby specifically  
23 charged with the responsibility of cooperating with the own-  
24 ing and disposal agencies, of making surveys from time to  
25 time, and bringing to the attention of the agencies, or the



1 Administrator, the needs and requirements of small business  
2 and any cases or situations which have resulted in or would  
3 effect discrimination against small business in the purchase or  
4 acquisition of Government property by them and in the dis-  
5 posal thereof by the agencies.

6 (c) The Administrator shall recommend to the Con-  
7 gress any measures which he deems advisable for the re-  
8 moval of discriminations against small business in the acqui-  
9 sition and use of Government-owned plants and properties,  
10 in accordance with the objectives of this Act.

11 (d) The Smaller War Plants Corporation shall have the  
12 power to purchase any surplus property for re-sale or other  
13 disposition to small business, when, in its judgment, such  
14 disposition is required to preserve and strengthen the com-  
15 petitive position of small business, or will assist the Corpora-  
16 tion in the discharge of the duties and responsibilities imposed  
17 upon it under Public Law 603 (77th Congress).

18 DISPOSITION OF PLANTS

19 SEC. 16. Whenever the Administrator or any disposal  
20 agency shall begin negotiations for the sale or transfer to  
21 private interests of a plant or plants or other property repre-  
22 senting an original cost to the Government of \$1,000,000  
23 or more, the Administrator or disposal agency shall promptly  
24 notify the Attorney General of the proposed sale or transfer  
25 and the probable terms or conditions thereof. Within a

1 reasonable time after receiving such notification the Attor-  
2 ney General shall advise the Administrator or disposal agency  
3 whether the proposed sale or transfer will either violate  
4 the antitrust laws, or encourage monopoly or undue con-  
5 centration of industry or commerce or restrain competition  
6 substantially. Upon the request of the Attorney General,  
7 the Administrator or other Government agency shall furnish  
8 or cause to be furnished such information as the Adminis-  
9 trator or any such agency may possess which the Attorney  
10 General determines to be appropriate or necessary to enable  
11 him to give the advice called for by this section or to deter-  
12 mine whether any other sale or transfer of surplus property  
13 violates the antitrust laws. Nothing in this Act shall im-  
14 pair, amend, or modify the antitrust laws or limit and prevent  
15 their application to persons who buy or otherwise acquire  
16 property under the provisions of the Act. As used in this  
17 section, the term "antitrust laws" includes the Act of July  
18 2, 1890 (ch. 26, Stat. 209), as amended; the Act of  
19 October 15, 1914 (ch. 323, 38 Stat. 730), as amended;  
20 the Federal Trade Commission Act; and the Act of August  
21 27, 1894 (ch. 349, sec. 73, 74, 28 Stat. 570), as amended.

22       SEC. 17. Every contract for the sale, or lease for two  
23 years or more, of a plant shall be made upon the condition  
24 that the purchaser, lessee, or transferee, and their transferees,  
25 if any, shall maintain the plant in substantial operation and

1 production for a period of two years next succeeding the  
2 effective date of the contract, or, next succeeding the date  
3 upon which operations begin after a period of conversion and  
4 alteration to be approved by the Administrator, but not to  
5 exceed one year, and that upon breach of such condition, the  
6 Government may rescind the contract and upon return of so  
7 much of the consideration as shall be equitable, recover the  
8 plant.

9 SEC. 18. Every existing option to purchase or otherwise  
10 acquire Government-owned property shall before it is con-  
11 summated be submitted to the Attorney General for his opin-  
12 ion as to its validity. Where an option is invalid or not validly  
13 exercised, the property concerned shall be disposed of in  
14 accordance with the applicable provisions of this Act.

15 SEC. 19. All Government-owned accumulations of stra-  
16 tegic minerals and metals shall be transferred, when deter-  
17 mined to be surplus pursuant to this Act, to the account of  
18 the Treasury Procurement Division to be held as a strategic  
19 minerals and metals reserve for the exclusive use of the  
20 Army and the Navy for the national defense during the  
21 present war and in the event of a future war emergency.  
22 The minerals and metals may be transferred in any form  
23 in which they are held, and they shall thereafter be put  
24 into forms best suited for storage and use for the national  
25 defense. As used in this section the phrase "strategic min-



erals and metals" means all minerals and metals included in either group A or group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at values substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

#### PLANNING

SEC. 20. (a) The Administrator, in cooperation with the appropriate Government agencies, shall prepare and submit to the Congress within six months after enactment of this Act, a report as to each of the following classes of Government-owned property: (1) iron and steel plants and facilities; (2) aluminum plants and facilities; (3) magnesium plants and facilities; (4) synthetic rubber plants and facilities; (5) aircraft plants and facilities; (6) chemical plants and facilities; (7) aviation gasoline plants and facilities; (8) shipyards; (9) transportation facilities; (10) radio and electrical equipment; (11) lands formerly used

1 for farming; and (12) processes, techniques and inven-  
2 tions; and (13) any other class of property determined by  
3 the Administrator:

4 (A) Describing the amount, cost, and location of  
5 the property and setting forth other descriptive infor-  
6 mation relative to the use of the property that will no  
7 longer be needed by the United States.

8 (B) Outlining the economic problems that may be  
9 created by disposition of the property.

10 (C) Setting forth a plan or program for the care  
11 and handling, disposition, and use of the property con-  
12 sistent with policies and objectives set forth in this Act.

13 (D) Describing any steps already taken for care  
14 and handling, disposition, and use of the property (in-  
15 cluding any contracts relating thereto), and designating  
16 any property that is to be retained by the United States  
17 for war or national defense purposes.

18 The Administrator shall request Government agencies to  
19 submit information and suggestions for use in the preparation  
20 of the reports and shall encourage States or political divisions  
21 thereof and representatives of the affected industry and other  
22 private persons to submit information for use in the prepara-  
23 tion of the reports, and he shall submit to the Congress, to-  
24 gether with his report, copies of any information and sugges-  
25 tions received, or a summary thereof. Unless otherwise pro-

1 vided by law, the Administrator shall authorize such care  
2 and handling, disposition, and use of the property in accord-  
3 ance with the plan or program contained in the report to  
4 the Congress. In the event that it is not possible to prepare  
5 and submit a final report to the Congress as to any class of  
6 property, the Administrator shall submit an interim report  
7 six months after the enactment of this Act, and shall submit  
8 a final report as soon thereafter as possible.

9 (b) If the Administrator determines that it is desirable  
10 to alter or change any such plan or program or to prepare  
11 a report on any other class of property, he shall prepare in  
12 accordance with the provisions of subsection (a) of this  
13 section and submit to the Congress an additional report,  
14 setting forth the altered or changed plan or program or a  
15 plan or program relating to the new class of property, and,  
16 unless otherwise provided by law, the Administrator shall  
17 authorize such management, disposition, and use of the prop-  
18 erty in accordance with the plan or program contained in the  
19 additional report to the Congress.

20 Wherever the Administrator may deem it to be in the  
21 interest of the objectives of this Act he may dispose of any  
22 property referred to above in advance of the preparation of  
23 any plan or before he may have submitted same to Congress.

24 MISCELLANEOUS PROVISIONS

25 SEC. 21. Surplus property disposals may be made with-



1 out regard to any provision in existing law for advertisement  
2 and competitive bidding, unless the Administrator shall deter-  
3 mine that disposal by advertisement and competitive bid  
4 will in a given case better effectuate the policy of the Act.

5 SEC. 22. (a) All proceeds from any transfer or dis-  
6 position of property under this Act shall be deposited and  
7 covered into the Treasury as miscellaneous receipts, except  
8 as provided in subsections (b), (c), (d), and (e) of this  
9 section.

10 (b) From the proceeds of such transfers or dispositions,  
11 the agency may deduct all expenses incurred for the care  
12 and handling, completion, and transfers or dispositions of  
13 such property under this Act, and may reimburse the fund  
14 or appropriation bearing such expenses, or the correspond-  
15 ing fund or appropriation currently available at the time of  
16 reimbursement.

17 (c) Where the property transferred or disposed of was  
18 acquired by the use of funds either not appropriated from the  
19 general fund of the Treasury or appropriated from the general  
20 fund of the Treasury but by law reimbursable from assess-  
21 ment, tax, or other revenue or receipts, then upon the request  
22 of the interested agency, the proceeds of the disposition or  
23 transfer remaining after any deductions under subsection  
24 (b) of this section shall be credited to the reimbursable fund  
25 or appropriation or paid to the owning agency.

1       (d) To the extent authorized by the Administrator, any  
2 Government agency disposing of property under this Act (1)  
3 may deposit, in a special account with the Treasurer of the  
4 United States, such amount of the proceeds of such disposi-  
5 tions as it deems necessary to permit appropriate refunds to  
6 purchasers when any disposition is rescinded or does not be-  
7 come final, or payments for breach of any warranty, and (2)  
8 may withdraw therefrom amounts so to be refunded or paid,  
9 without regard to the origin of the funds withdrawn.

10       (e) Where a contract or subcontract authorizes the  
11 proceeds of any sale of property in the custody of the con-  
12 tractor or subcontractor to be credited to the price or cost  
13 of the work covered by such contract or subcontract, the  
14 proceeds of any such sale shall be credited in accordance  
15 with the contract or subcontract and shall not be subject to  
16 subsection (a) of this section.

17       SEC. 23. (a) Any Government agency is authorized to  
18 use for the disposition of property under this Act and for  
19 its completion, care, and handling, pending such disposition,  
20 any funds heretofore or hereafter appropriated, allocated,  
21 or available to it for such purposes or for the purpose of  
22 production or procurement of such property.

23       (b) Any Government agency is authorized to use for  
24 the acquisition of any surplus property under this Act any

1 funds heretofore or hereafter appropriated, allocated, or avail-  
2 able to it for the acquisition of property of the same kind.

3 (c) There are authorized to be appropriated such sums  
4 as may be necessary or appropriate for administering the  
5 provisions of this Act.

6 SEC. 24. All policies and procedures relating to surplus  
7 property prescribed by the Surplus War Property Admin-  
8 istration, created by Executive Order Numbered 9425, dated  
9 February 19, 1944, or any other Government agency, in  
10 effect upon the effective date of this Act, and not inconsistent  
11 with this Act, shall remain in full force and effect unless and  
12 until superseded by regulations of the Administrator in  
13 accordance with this Act.

14 SEC. 25. (a) Nothing in this Act shall limit or affect  
15 the authority of commanders in active theaters of military  
16 operations to dispose of property in their control.

17 (b) The provisions of this Act shall be applicable to  
18 dispositions of property within the United States and else-  
19 where, but the Administrator may exempt from some or  
20 all of the provisions hereof, dispositions of property located  
21 outside of the continental United States or in Alaska,  
22 whenever he deems that such provisions would obstruct the  
23 efficient and economic disposition of such property in  
24 accordance with the objectives of this Act.



1        SEC. 26. A deed, bill of sale, lease or other instrument  
2        purporting to transfer title or any other interest in surplus  
3        property under this Act, which is executed by or on behalf  
4        of the Administrator, or by the Government agency to which  
5        the Administrator shall have assigned such surplus property  
6        for disposal, shall be conclusive evidence of compliance with  
7        the provisions of this Act so far as the title or other interest of  
8        any bona fide purchaser or lessee, as the case may be, is  
9        concerned.

10       SEC. 27. (a) The authority conferred by this Act is  
11       in addition to any authority conferred by any other law and  
12       shall not be subject to the provisions of any law inconsistent  
13       herewith. This Act shall not impair or affect any authority  
14       for the disposition of property under any other law, except  
15       that the Administrator may prescribe regulations to govern  
16       any disposition of surplus property under any such author-  
17       ity to the same extent as if the disposition were made under  
18       this Act, whenever he deems such action necessary to effec-  
19       tuate the objectives and policies of this Act.

20       (b) Nothing in this Act shall impair or affect the pro-  
21       visions of the Emergency Price Control Act of 1942, as  
22       amended; or the Act of October 2, 1942 (ch. 578, 56  
23       Stat. 765), as amended; or of section 301 of the Second War  
24       Powers Act, 1942; or of the Act of March 11, 1941 (55  
25       Stat. 31), as amended; or Acts supplemental thereto, or of

1 any law regulating the export of property from the United  
2 States.

3 SEC. 28. This Act may be cited as the "Surplus War  
4 Property Act".

5 DEFINITIONS

6 SEC. 29. As used in this Act—

7 (a) The term "Government agency" means any execu-  
8 tive department, board, bureau, independent commission,  
9 or other agency in the executive branch of the Federal  
10 Government, and any corporation wholly owned and con-  
11 trolled by the United States.

12 (b) The term "owning agency" means a Government  
13 agency having control of property at or before the time  
14 when it is determined to be surplus to the needs and responsi-  
15 bilities of that agency.

16 (c) The term "disposal agency" means any Govern-  
17 ment agency designated under this Act to handle disposition  
18 of one or more classes of surplus property.

19 (d) The term "property" means any interest in prop-  
20 erty, real or personal, owned by the United States or any  
21 Government agency, including, but not limited to, plants,  
22 facilities, equipment, machinery, accessories, parts, assem-  
23 blies, products, commodities, materials, and supplies of all  
24 kinds, whether new or used, and wherever located.

25 (e) The term "surplus war property" or "surplus prop-

erty” means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 9 of this Act.

(f) The term “contractor inventory” means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder (except any machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition); and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term “care and handling” includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting.

(h) The term “option” means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by the contract.

(i) The term “person” means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term “State” includes the several States, Terri-



1   tories, and possessions of the United States, and the District  
2   of Columbia.

3       (k) The term “tax-supported institution” means any  
4   scientific, literary, educational, public-health, or public-wel-  
5   fare institution which is supported in whole or in part through  
6   the use of funds derived from taxation by the United States,  
7   or by any State or political subdivision thereof.

8       (l) “Disposal” or “disposition” means sale, conditional  
9   sale, or lease, for cash, credit, or other property; donation;  
10   or any other transfer.

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## A BILL

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To establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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By Mr. STEWART, Mr. MURRAY, and Mr. TAFT

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AUGUST 10 (legislative day, AUGUST 8), 1944

Read twice and referred to the Committee on Military  
Affairs







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 127

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 15, 1944 for actions of Monday, August 14, 1944)  
(For staff of the Department only)

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HOUSE

1. PROPERTY DISPOSITION. Expenditures in the Executive Departments Committee reported with amendment H.R. 5125, the Colmer bill providing for the disposal of surplus Government property (H. Rept. 1757) (p. 7004).
- Sec. (1-3) As reported the bill defines the objectives and terms used; establishes the Surplus Property Administration under an Administrator appointed by the President; authorizes the employment of assistants and experts without regard to the civil-service laws; directs the Administrator to perform his duties through the personnel and facilities of established Government agencies, to have general supervision over the care and handling and disposition of surplus property, and over the transfer of surplus property between Government agencies; creates an Advisory Board (including the Secretary of Agriculture and the War Food Administrator); directs each owning agency to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities and directs the SWP Administrator, if he has reason to believe that any owning agency has property which is surplus which it has not reported as such, to report that fact to Congress; authorizes owning agencies to dispose, subject to SWPA price-policy regulations, of any property for the purpose of war production or authorize any contractor with such agency to retain or dispose of any contractor inventories for the purpose of war production; authorizes any owning agency to dispose of (1) damaged property, (2) waste, (3) products of industrial research, agricultural, or livestock operations, (4) any contractor inventory in the control of the owning agency, or (5) any class of surplus property, designated by the SWP Administrator, in the control of the owning agency; provides that the SWP Administrator shall prescribe the class of surplus property to be disposed of by designated agencies; provides that the disposal agency is responsible and has the authority for the disposition of surplus property; authorizes the SWP Administrator to prescribe policies, standards, etc., to govern the exercise by any disposal agency of its authority with respect to property care and disposition; directs the SWP Administrator to establish procedures to facilitate the transfer of surplus property between Government agencies; authorizes disposition of property by sale, exchange, lease, transfer, or other disposition, for cash, credit, or other property, and upon such conditions as the disposal agency deems proper; provides that any instrument purporting to transfer title to property under this Act shall be conclusive evidence of compliance with the provisions of the Act, insofar as the title of any bona fide purchaser is concerned; permits donation of property of no realizable commercial value to tax-supported institutions or nonprofit educational or charitable organizations, or to destroy or otherwise dispose of it; directs the SWP Administrator, in formulating regulations (a) to facilitate inter-agency transfers, (b) to afford educational



- charitable, eleemosynary institutions, States, etc., and cooperative organizations and opportunity to fulfill their legitimate needs; (c) to afford returning veterans an opportunity in agriculture, business, or professional enterprises, (d) to foster post-war employment, (e) to afford small business, farmers, and agricultural enterprises an opportunity to acquire surplus property, (f) to afford former owners of surplus real property an opportunity to reacquire it, (g) to encourage foreign trade relations and markets, (h) to dispose of property as promptly as feasible without upsetting the economy, etc., (i) to prevent excessive profits, (j) to realize the highest possible return consistent with the stated objectives;
- (12) provides that this Act shall not impair the antitrust laws or limit their application to purchasers of property; prohibits the disposal of surplus Government-owned synthetic rubber or aluminum plants, except by lease for 5 years or less,
- (14) until the SWP Administrator submits to Congress a detailed plan for disposal; directs the SWP Administrator to issue regulations, and directs other agencies to carry them out and to issue regulations for their functions; requires other agencies to submit information relating to surplus property; permits agencies to execute documents necessary to dispose of property as directed by the SWP Administrator; provides that employees are liable only for their own fraud; permits responsible agencies to handle property and to complete semi-fabricated property as they deem necessary; requires maintenance of disposal records; protects existing valid contracts; provides that former owners of surplus agricultural land acquired after July 1, 1940, shall have a reasonable time to reacquire them at not more than the price paid by the Government, except where the value has been increased by the Government, otherwise sales are to be made in family-sized parcels, to persons who will live on and cultivate the land, only one parcel to an individual or family;
- (16) requires proceeds to be covered into the Treasury as miscellaneous receipts, except (1) where property was acquired with reimbursable funds, (2) that agencies may deposit amounts in a special account with the Treasury to be withdrawn for refunds to purchasers when a disposition is rescinded, (3) when contract clauses authorize the crediting to the contract price of the proceeds of the sale, and (4) when proceeds are other than U.S. legal tender, in which case the disposal agency is to convert into U.S. legal tender; authorizes necessary appropriations; authorizes use of funds for the production or procurement of classes or types of property; authorizes "appropriate action" by disposal agencies in connection with mortgages, etc.; authorizes the SWP Administrator, his immediate assistants, and the heads of Government agencies to delegate their authority with respect to disposition of property; reaffirms all orders, etc., not inconsistent with this Act;
- (20) provides that this Act shall not limit commanders in active theaters of military operations; authorizes the SWP Administrator to exempt dispositions of property located outside the U.S. when economically expedient; gives SWP Administrator control over property covered by other acts and stipulates that this Act shall not impair any other act for the disposition of property; provides that this Act shall not impair the (1) Emergency Price Control Act of 1942, (2) the Stabilization Act of 1942, (3) Sec. 301 of the Second War Powers Act, relating to allocation and priorities, (4) The Lend-Lease Act, (5) any act supplemental to the foregoing, and
- (22) (6) any law regulating the exportation of property from the U.S.; and provides that this Act shall expire at the end of 3 years following the cessation of hostilities.

Rep. Sabath, Ill., received unanimous consent to file a rule for the consideration of this bill, H.R. 5125, before midnight (H.Rept. 1760) (pp. 6999, 7004).

2. **POST-WAR PLANNING.** Special Committee on Post-War Planning submitted an interim report pursuant to H.Res. 408 (H.Rept. 1759) (p. 7004).
3. **PERSONNEL.** Received the Assistant Secretary of Agriculture's estimate of personnel requirements for each of the Department's reporting units for the quarter ending Sept. 30, 1944. To Civil Service Committee. (p. 7004.)



78TH CONGRESS { 2d Session }	HOUSE OF REPRESENTATIVES {	REPORT No. 1760
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## CONSIDERATION OF H. R. 5125

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AUGUST 14, 1944.—Referred to the House Calendar and ordered to be printed

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Mr. SABATH, from the Committee on Rules, submitted the following

### R E P O R T

[To accompany H. Res. 620]

The Committee on Rules, having had under consideration House Resolution 620, report the same to the House with the recommendation that the resolution do pass.





## House Calendar No. 303

78TH CONGRESS  
2D SESSION

# H. RES. 620

[Report No. 1760]

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### IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 1944

MR. SABATH, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the state of the Union  
4 for the consideration of the bill H. R. 5125, to provide for  
5 the disposal of surplus Government property and plants, and  
6 for other purposes, and all points of order against said bill are  
7 hereby waived. That after general debate, which shall be  
8 confined to the bill and continue not to exceed two days  
9 to be equally divided and controlled by the chairman and  
10 ranking minority member of the Committee on Expenditures  
11 in the Executive Departments, the bill shall be read for  
12 amendment under the five-minute rule. It shall be in order



1 to consider without the intervention of any point of order the  
2 substitute amendment recommended by the Committee on  
3 Expenditures in the Executive Departments now in the bill,  
4 and such substitute for the purpose of amendment shall be  
5 considered under the five-minute rule as an original bill. At  
6 the conclusion of such consideration, the Committee shall  
7 rise and report the bill to the House with such amendments  
8 as may have been adopted, and any Member may demand a  
9 separate vote in the House on any of the amendments adopted  
10 in the Committee of the Whole to the bill or committee sub-  
11 stitute. The previous question shall be considered as ordered  
12 on the bill and amendments thereto to final passage without  
13 intervening motion except one motion to recommit.



78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. RES. 620

[Report No. 1760]

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## RESOLUTION

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For the consideration of H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes.

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By Mr. SABATH

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AUGUST 14, 1944

Referred to the House Calendar and ordered to be printed



Mr. GIFFORD. I want the gentleman fully to understand how persuasive his arguments are in this matter; we have such a high regard for the gentleman's ability. No matter has come up for my consideration in a long, long time like the Bretton Woods matter. I want to ask the gentleman one or two, I think, pertinent questions.

The gentleman spoke of the Greek drachma and the value they place on it in its relation to the American dollar. Was any consideration given to the possibility that operations could begin at that value but the country devalue and make it worthless by its own act?

Mr. DEWEY. Answering the question the gentleman has propounded, I stated that the fund, as an example, might give the value of 1 cent to the Greek drachma. They have not as yet ascribed any particular value to any currency except to lay down the principle that they must all relate to dollars and gold.

The answer to the second part of the gentleman's question is this: The fund states—and it is rather naive—that a value will be placed on the various currencies, but in view of the uncertainty of the present situation if a given government itself finds that domestic, social, or political matters require them to change the value of their currency the fund must give consideration to those factors. The country itself has a right to make a change within a limit of 10 percent and can make a further request for a 10-percent change which must be given immediate consideration. I can well imagine that there would be a very fair amount of fluctuation as the limits are pretty broad and the considerations to be taken into account by the managers of the fund are very liberal when one realized that among the factors to which they must give consideration are the social, economic, and political requirements of a country.

Mr. GIFFORD. May I ask a further question?

Mr. DEWEY. Yes.

Mr. GIFFORD. I tried to listen carefully to what the gentleman said. Does the gentleman think he is going to approve the action of the Bretton Woods Conference?

Mr. DEWEY. No.

Mr. GIFFORD. I ask that question because the gentleman from Illinois is important in this matter.

Mr. DEWEY. No; I could not enter into approval—speaking for myself—of a fund which may increase the public debt such as we have. I cannot approve the idea of going into partnership with other governments, all of whom have their own selfish and national aspirations before we know what those aspirations are. Where is our bargaining sense?

Mr. GIFFORD. The point is that we may feel, we may know, we are going to lose all of the money we put up, but in spite of that fact, are we not isolationists? I want to vote for that, but I want to vote for it with my eyes open. The gentleman may warn us that we will lose it, but even though we lose it, will the gentleman oppose it?

Mr. DEWEY. Yes, sir.

Mr. GIFFORD. Is it necessary?

Mr. DEWEY. I will be glad to state what I think about that. I want our country to assume the normal responsibilities of a great nation toward other nations suffering like ourselves in this war.

Mr. GIFFORD. But with \$28,000,000,000 lend-lease operations going on, think of our loss there as compared to the possible loss under the fund.

Mr. DEWEY. But I want to do it from an enlightened, selfish point of view just exactly as every other nation will, to protect our rights.

Mr. GIFFORD. I want the gentleman to tell me, and insist that we lose the money, but we have lost so much in other operations that seemed to be necessary that my conscience—and I have tried to follow that Bretton Woods Conference; I am interested in it—but I freely confess that the gentleman's way of dealing out things and explaining convinces me that if we are not willing to run the risk of losing money we run the awful risk of being charged with unwillingness to cooperate and with being termed "isolationist"—which I am not.

Mr. DEWEY. I have been accused of being an internationalist at one time because I never thought the debts of the last World War could be paid and I thought some composition of them should have been made. For that I was called an internationalist. I am now accused of being an isolationist because I look after—as well as I can in my own humble way—the best interest of my own people.

Mr. GIFFORD. I want to make clear what I have in mind: The gentleman advises us—and he knows what he is talking about; he has studied the subject from all angles—the gentleman has been telling us that we may lose out if we take this step; that we face that danger. I want to know from the gentleman: Is he willing to take the risk and do it? I rather think I am willing in spite of what has gone before and what we have done in this war effort; but I want to know what the gentleman's object is in showing us the danger, whether or not we will take it in spite of that?

Mr. DEWEY. I should like to say to the gentleman from Massachusetts that I have tried to offer a suggestion which I said will do the same thing without the risk of so great a loss.

Mr. GIFFORD. I understand it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended 5 minutes. There are some questions I wish to ask him.

The SPEAKER. Is there objection to the request of the gentleman from Idaho? There was no objection.

The SPEAKER. The gentleman from Illinois is recognized for 5 additional minutes.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. WHITE. The gentleman speaks of the stabilization of the international currencies. Is it the gentleman's idea that it would be better to stabilize the money

of the several countries on some metallic base and standard?

Mr. DEWEY. I believe that the stabilization of currencies at the present time is most desirable. They should be tied to gold and the American dollar of present worth, and fineness, and value.

Mr. WHITE. That presupposes that all the currencies of the several nations, or their money of ultimate redemption, will be metallic, will be gold, and that gold will be the standard of value, therefore, in those countries.

Mr. DEWEY. That presupposes a currency of those countries that will have a stable purchasing power in relationship to what I hope will continue—a stable purchasing power of the American dollar. It is because of that I do not want to see inflation. I do not want to see the dollars in the bonds sold to the people of our country and the insurance policies in the hands of our people have a less purchasing power when the people receive those dollars back. That is what inflation does.

Mr. WHITE. If the value of the currency of a country is established by this bank, or the fund you are talking about, and then the value of their money at home should collapse, what recourse will the bank have?

Mr. DEWEY. Like every other bank it deals in currency. It pays back what it has. It pays currencies. If the currencies decline in purchasing power, it pays, nevertheless, what it has, but the people will not be able to buy with those currencies as many goods.

Mr. WHITE. The gentleman took as an illustration the Greek drachma and suggested 1 cent as the value of a unit.

Mr. DEWEY. I took that only because it was an easily divisible unit.

Mr. WHITE. That was a simple illustration. It might be 5 cents or 10 cents. As a matter of fact, the drachma of Greece is divided into a hundred parts called cents.

Mr. DEWEY. Yes.

Mr. WHITE. It would be a cent in our money and a hundred cents in their money. Now, suppose the drachma goes down, what possible effect would there be?

Mr. DEWEY. According to the operators of the fund it is not supposed to fluctuate in any material amount. If, despite all good intent, currencies within the fund lose value, the fund will likely have to be liquidated.

Mr. WHITE. The gentleman assumes then that the Government of Greece will have control over the value of this drachma commercially?

Mr. DEWEY. The Government of Greece, if a member of the fund, agrees to certain provisions of the fund. If they do not follow them, they give up their right to operate through the fund.

Mr. WHITE. The gentleman distinctly recalls that the French franc could not be stabilized by the Government; that is, the Government could not stabilize the value of the franc and it kept depreciating in value.

Mr. DEWEY. That has occurred before, of course.

Mr. WHITE. The gentleman took the Greek drachma as an illustration. Let

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us take the franc for illustration and take a 10-cent value. Suppose further that the commercial value of the franc in its own country goes down to 1 cent in value, what happens to the value that is put on by this international fund and what happens to the credit established by the franc in this fund you are talking about?

Mr. DEWEY. That is where certain proponents of the fund and I do not agree. The value of a currency in any country depends on the sound economic policy of the country itself. If a country goes on a great spending spree and issues more currency than sound economy demands then the currency, naturally, has less purchasing power. If it maintains a sound economic policy, its currency remains sound. Unless this fund contemplates being a dictator over all of the member countries in the fund, I do not see how they are going to maintain the stability of the various currencies of the world.

Mr. WHITE. Then, as far as that is concerned, the Bretton Woods Conference was a failure because no stability was established for the several currencies that will be evaluated by the fund?

Mr. DEWEY. I do not think you could say that the Bretton Woods Conference was a failure. I did not approve the plan when they went into it. There were certain Members of the House on the Republican side who joined in a letter to the effect they did not think it was the proper procedure. That has been so stated by many of the leading economists of the country and most of the larger banks that have had experience in foreign exchange.

The SPEAKER. The time of the gentleman from Illinois has expired.

#### EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein my comments pertaining to the Civil Aeronautics military cadet training program.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]?

There was no objection.

[The matter referred to appears in the Appendix.]

#### SPECIAL COMMITTEE ON POST-WAR PLANNING

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the House Special Committee on Post-war Planning may have until midnight tonight to file an interim report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLMER]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. McGEHEE] may have permission to extend his own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. COLMER]?

There was no objection.

[The matter referred to appears in the Appendix.]

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table, and, under the rule, referred as follows:

S. 2051. An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; to the Committee on Ways and Means.

#### ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 15, 1944, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1764. A letter from the Acting Secretary of the Navy, transmitting a report on land acquired by the Navy, with the cost thereof, as of June 30, 1944; to the Committee on Naval Affairs.

1765. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard; to the Committee on Expenditures in the Executive Departments.

1766. A letter from the Acting Director, Bureau of the Budget, transmitting copies of letters addressed to the heads of various agencies which established limitations on the amounts which may be expended for travel, printing and binding, and the purchase of motor-propelled passenger-carrying vehicles from sums set apart in appropriations to these agencies for special projects; to the Committee on Expenditures in the Executive Departments.

1767. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to convey to Oahu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, T. H.; to the Committee on Naval Affairs.

1768. A letter from the Assistant Secretary of Agriculture, transmitting copies of the quarterly estimates of personnel requirements for each of the Department's reporting units for the quarter ending September 30, 1944; to the Committee on the Civil Service.

1769. A letter from the Acting Secretary of the Treasury transmitting copies of communications from this Department to the Director of the Bureau of the Budget relating to revision of personnel ceilings of certain bureaus and divisions of this Department; to the Committee on the Civil Service.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. MANASCO: Committee on Expenditures in the Executive Departments. H. R. 5125. A bill to provide for the disposal of surplus Government property and plants, and for other purposes; with amendment (Rept. No. 1757). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLMER: Special Committee on Post-war Planning. Interim report pursuant to House Resolution 408. Resolution creating a Special Committee on Post-war Economic Policy and Planning (Rept. No. 1759). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 620. Resolution for the consideration of H. R. 5125, a bill to provide for the disposal of surplus Government property and plants, and for other purposes; without amendment (Rept. No. 1760). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Missouri:

H. R. 5179. A bill to extend for 3 years the temporary additional pay for equipment maintenance for each carrier in Rural Mail Delivery Service provided for by the act of December 17, 1943; to the Committee on the Post Office and Post Roads.

By Mr. BURDICK:

H. R. 5180. A bill to provide for the donation by the United States of the site of the original Fort Buford, N. Dak., to the State of North Dakota; to the Committee on Agriculture.

By Mr. CARTER:

H. R. 5181. A bill to provide a method for compensating certain individuals for damages sustained as the result of the explosions at Port Chicago, Calif.; to the Committee on Claims.

By Mr. SNYDER:

H. R. 5182. A bill creating an office of military research and development in the War Department; to the Committee on Military Affairs.

By Mr. D'ALESSANDRO:

H. R. 5183. A bill to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DICKSTEIN:

H. R. 5184. A bill to extend the operation of the Emergency Price Control Act of 1942; to the Committee on Banking and Currency.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5985. By Mr. BUCKLEY: Petition of J. M. Cotton and 87 others protesting against prohibition legislation; to the Committee on the Judiciary.

5986. By Mr. CANNON of Missouri: Petition of Franklin County, Mo., citizens, protesting against any form of prohibition legislation; to the Committee on the Judiciary.

5987. By Mr. GAMBLE: Petition of sundry residents of Westchester County, N. Y., protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.



# Appendix

## Civil Aeronautics Military Cadet Training Program

### EXTENSION OF REMARKS OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1944

Mr. SHEPPARD. Mr. Speaker, ladies and gentlemen, on March 30 the gentleman from Alabama [Mr. SPARKMAN] disclosed here on the floor of the House a very remarkable story and a story of which every American can well be proud.

He told how, back in 1939, a group of civilian flying-school operators were called in by General Arnold and General Yount and told that the Army had neither the necessary personnel nor the time to build primary flight-training facilities if we were to be ready when the storm clouds of war should break.

He told how in this emergency, an Army board had toured the Nation hunting civilian schools that could do Air Force training and how finally nine schools operated by this little group of experienced operators were selected because of their long years in training flyers; because they had the buildings, equipment, fields, and facilities all set up for such work; because they had the trained pilots, mechanics, and organization with 20 years' experience, necessary for the job.

He told how this group of men were asked to plunge immediately into the work of training pilots, so badly were they needed, on the chance that the money to finance the work eventually could be secured, although there were no contracts and no guarantee that such would be the case.

He told how these operators gambled everything they had and went heavily into debt to take on the job of teaching thousands of our young men to fly airplanes, without any assurance that they would get their money back. They even did this before Congress appropriated the money. It is a great example of American free enterprise.

He told of the unprecedented teamwork that was set up, with the Army Air Forces and the Nation's civilian schools working together with a new standard of efficiency and unprecedented economy to create the most powerful Air Force the world has ever known, and to do it with an unprecedented safety record.

I have recently returned from my district in southern California where two of these schools are located. Out at Ontario is Cal-Aero Academy, operated by Maj. C. C. Moseley, a World War No. 1 veteran and fighter pilot in that tiny

group of airmen who fought the Germans overseas in 1917 and 1918, a man who officially destroyed Germans in aerial combat in the last war and one who has devoted his life to aviation, one of these original nine experienced operators who took that long chance back in 1939. Up at Lancaster is Mira Loma Flight Academy which Major Moseley also set up a year later when General Arnold's second appeal for more and more schools was made.

I spent some time at these two fields and I learned some things I think the Congress ought to know. The people who are running these schools spend their time training pilots and more pilots. They do not take much time out to talk about themselves. They know that theirs is a grave and dangerous responsibility—that they have been entrusted with the precious lives of the pick of our land. They are too busy doing the job to waste time talking about it. Their amazing accomplishments are not generally known.

Now, if you do not think there is a story worth telling in these schools, just listen to this one fact:

Moseley's schools have trained over 20,000 pilots. Over 1,000 of them have been decorated over and above the call of duty, including awards of the Congressional Medal of Honor, Victoria Cross, and so forth. They have flown a total of more than 1,630,000 hours, or 163,000,000 miles. One school's safety record is so good that a cadet—and this, mind you, is a cadet in training, learning to fly—can depend on flying around the world 260 times, or make 1,254 round trips from Washington, D. C., to Los Angeles, or continued flying, night and day, for 7 years, without a fatality. Compare this with the fact that overseas in War No. 1 the cadet training record was 1 fatality every 1,100 hours, and in 1939 the record was 1 fatality about every 16,000 hours. Considering these Army-civil schools are doing their training, in large volume, under wartime pressure makes this accomplishment one of the greatest of this war.

And here is something else I learned: The Army is saving the taxpayers a staggering amount of money with this civilian school set-up. When the Army had to do its own primary training—that is the job of just teaching the man to fly, before the Army takes him over and teaches him to use his airplane as a military weapon—it cost about \$55 per flying hour. Now, by using these civilian schools and their equipment and their personnel, they have reduced that cost by more than 80 percent. In other words, these civilian schools have enabled us to train a man to fly for less than a fifth of the accepted cost. When you figure that more than 100,000 pilots have been trained these last 5 years, this saving gets into astronomical figures.

Then there is the manpower saving. There are two or three angles to that. The one that interested me most was the length they go to in reducing what they call the wash-out rate. Wash-outs are cadets who are eliminated as being unfit to be a military pilot. There is no disgrace in washing out. Either a man can be taught to fly or he cannot. But it is harder to develop this ability in some men than in others. These civilian schools go to the most amazing lengths to get a man through if they possibly can. For instance, they have developed what they call Squadron X. When a cadet does not progress in his training as well as he should, they transfer him to Squadron X. The man at the head of Squadron X is pretty good at getting under the boy's skin and figuring out just what is holding him back. When he figures out what is wrong, he assigns the lad to an instructor who fits the cadet's particular peculiarities. This instructor becomes a second father to him. He labors and sweats and works his soul out to make a pilot out of his problem child. And first thing you know, the boy suddenly gets the hang of it, and there is one less washed-out cadet—one less wasted man. If you do not think this sort of thing is important, listen to this: When the civilian schools took over this job of primary training, the accepted wash-out rate was 40 percent. With a class of 275 cadets that would mean that 110 men would be eliminated. Well, just the other day Mira Loma Flight Academy graduated a class of 275 cadets, and there were just 4 wash-outs. Four wash-outs instead of 110; 106 more pilots for the Air Force.

And while we are on this subject of manpower, you should know that the use of these civilian schools and their personnel has released over 100,000 officers and enlisted men for combat duty—men who otherwise would have been tied down as instructors and mechanics and cooks and maintenance people. Their personnel largely do not qualify for Army duty. For instance, I met an instructor who has 16,000 hours of flying to his credit. Remember that when Eddie Rickenbacker finished his flying in the last war, he had only 350 hours. This man has 16,000 hours. Of course, he is too old for combat, but think what those 16,000 hours of experience mean in teaching new pilots to fly. And that man is no exception. In fact, the average flying experience of all the hundreds of instructors out there is more than 2,500 hours each, and 9½ years' flying experience.

That is one reason—and a big one—why these schools have been able to set new standards of training. There is no substitute for experience and these veterans of aviation have that experience—experience that only comes from years and years of trial and error.



So, then, I found that without any fanfare but with a tremendous amount of good common sense and good business administration, the Army Air Forces and these civilian contract schools have set up a proposition that is actually sensational. Millions and millions of dollars are being saved—as much as \$250,000,000 a year; manpower of staggering proportions is being saved; safety heretofore undreamed of is being accomplished and all this while maintaining the highest standards in the finished product of any air force in the world.

Now all this is not only noteworthy and significant in these days of war which we all hope and believe are drawing to their close. If anything, it is even more significant for the days of peace that lie ahead. And here is why:

It takes only rudimentary intelligence to know that this Nation never again dare be without a powerful air force—an air force capable of enforcing peace. Only a merciful providence and gross errors of judgment by our enemies saved us from a fate we dare not contemplate, when the approach of war found us with only a handful of pilots and few combat aircraft. It is too much to expect that fortune would favor us a second time. We have learned the hard way and we would be indeed unworthy of the kindness bestowed upon us by that providence if we refused to profit by what we have learned.

It is one thing to build and equip an air force. It is another thing to maintain one. In no other field is the turnover rate so heavy. A man of 25 has reached the top age for fighter aircraft piloting; at 27 he is passing his usefulness as a bomber pilot. Eighteen is the minimum for starting to train. Thus a military combat pilot's effective life, from start to finish, can be but 9 years at the most, of which one, at the minimum, must be his training period.

So, obviously, this training of new pilots must go on and on and on, if we are to safely be prepared to enforce peace in the world. And it is one thing to spend money in wartime and quite another thing to spend money in times of peace.

Herein lies the blessing of this Army-civilian school team. With costs reduced by 80 percent, the taxpayer from now on can get his military pilots and keep 80 percent of his money too. We have learned how to buy pilots at bargain prices without lowering our high standards, without wasting our manpower and, best of all, with almost fantastic safety.

Certainly no one is better fitted to do peacetime training as an integral part of our national defense system than these unsung heroes of this war—the civilian schools who have proved their ability to do a job safely, efficiently, inexpensively.

The gentleman from Alabama characterized this proposition as "great military leadership teamed up with civilian know-how in a typical American partnership." Let us resolve to preserve for all time this partnership that has worked so well.

## Where Does Agriculture Go From Here?

### EXTENSION OF REMARKS

OF

### HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1944

Mr. HOPE. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I submit herewith an address which I delivered before the annual meeting of the International Baby Chick Association in Chicago, Ill., on July 28, 1944:

I am happy to have the opportunity to attend this conference and to address the members of the International Baby Chick Association and others interested in the poultry industry.

There may have been a time when poultry and eggs could be considered as mere pin money but that time has long since passed. As a matter of fact, poultry has always been one of the leading sources, as well as the most diversified source, of farm income. This is true to an even greater extent today. Last year poultry and egg production topped the \$2,000,000,000 figure and that is big business even in these days when we speak as glibly of millions and billions as we did of hundreds and thousands in earlier periods.

The evidence is increasing every day that we are now entering the last stages of the European phase of the war. This isn't intended as a prediction that the war in Europe is going to be over in a month, or 3 months, or 6 months, although it could possibly end any time within those periods and probably will. Irrespective, however, of the date when unconditional surrender takes place, the fact remains that the pattern of victory has been marked out. The glaring weaknesses of Germany both on the military and home fronts which have been revealed since the beginning of the current offensives are proof sufficient that the end is in sight and that the exact date probably depends more upon psychological and morale factors than it does upon military prowess. The Pacific war will take longer but, there too, the factors which make victory certain have already been achieved and the result is only a matter of time.

When the story of our participation in this war is finally written, it will be found, I am sure, that our greatest contribution to victory has been that of production on the home front. This is not said in any way in disparagement of our great achievements on the battlefield or the unequalled and unparalleled heroism of our soldiers and sailors and marines in all quarters of the globe. Their achievements will brighten the pages of history for all time, and surpass anything recorded of the past. It is in the field of production, however, that we have displayed our greatest superiority over our enemies and have been able to render the greatest assistance to our gallant allies.

When it became apparent that we could produce 100,000 airplanes in 1 year and other offensive weapons in the same proportion, that we could build within the space of 3 years a navy greater than the combined navies of all nations of the earth, and that we could build merchant shipping at the rate of 20,000,000 tons in a year, Allied victory was assured. A great deal has been said about this miracle of industrial production and everything which has been said is deserved. It is an achievement which it is impossible to exaggerate in the telling.

Less has been said about the farmers' part in war production. His stay has not been so dramatic or spectacular, yet, in many ways, the achievements of agriculture in war production have been more remarkable than those of industry. It must be remembered that our increase in industrial production was possible because of a tremendous expansion in plants and plant capacity, because of greatly increased personnel, and because of priorities which made it possible to secure needed materials. The farmers lacked these advantages.

He secured an increase of 24 percent in food production between 1939 and 1943 in spite of the fact that in 1943 he had less labor, less machinery, and less transportation equipment than he had in 1939. This great achievement occurred notwithstanding all of the harassments, inconveniences, delays, and confusion which are to a greater or lesser extent inevitable accompaniments of a shift from peacetime to wartime economy. While those engaged in industrial war production had their operations underwritten by the Government and took no chance of loss, this was not the case with farmers. It is true that in some cases farmers had assurances of support prices for their products, but even then they took all the risks of weather, insect pests, and plant and livestock diseases against which there is no insurance. In many cases at the request of their Government farmers planted crops with which they had no experience and for which they did not have suitable or adequate machinery and equipment. In most cases, farmers risked a large part of their capital in their expanded operations yet few hesitated to take the risk. Farm days are always long but since the war they've been even longer. In most parts of the country farm operators have worked from 12 to 13½ hours per day, and in many cases it's a 7-day week. Farmers out in Kansas jokingly refer to their 8-hour day—8 hours in the forenoon and 8 hours in the afternoon. Yet, in spite of everything, the goals set by the War Food Administration have been equaled and, in many cases, exceeded. This miracle of farm production has been made possible only because of the patriotic, untiring, everlasting work of the American farmer and every member of his family.

No group of agricultural producers has made a more outstanding record than the poultrymen. The increase in production in that field is really something to crow about. Between 1939 and 1943 egg production increased 39 percent and chicken production 33 percent. Something was said a few years ago about two chickens for every pot. That goal has just about been reached. Furthermore, a large proportion of this increased production has gone directly into the war effort in the way of food for our armed forces and on lend-lease to our allies.

Our great achievements in both industrial and agricultural production ought to give us great confidence for the future. We have demonstrated a capacity which we ourselves did not know we possessed. This great miracle of production has been achieved through the cooperation of industry, labor, agriculture, and government. It has demonstrated what the American people working together can accomplish. Yet there are many who now view the future with apprehension. They are worried, not about production, but about consumption. They wonder if after the war when Government buying ceases, whether our people will have the buying power to support this immense productive capacity. Farmers, as well as industrialists, and working people, are concerned about this. Perhaps farmers are more concerned than any other group of producers because it is harder for them to adjust their operations downward than any-



one else. Large industrial units can control their production, but 6,000,000 farmers competing with each other cannot do it satisfactorily or without great loss. The tremendous increase in agricultural production under the stimulus of war was a great and difficult achievement, but to cut down production substantially if that should be necessary would be even more difficult.

Fortunately for the adjustments which may be necessary, the need for ample food supplies will not end with the war. We do not have exact information as to what will be needed for relief in Europe when the war ends but we know that for a year or so we will have to supply some food to the war-torn areas. The length of time this will be necessary cannot be foretold now. Also, we know the Japanese war will continue for some period after hostilities are over in Europe and this means continued demands from military sources and a continuation—even if on a restricted scale—of our war production program.

Also there is on the statute books legislation passed by Congress which provides price support at 90 percent of parity for most important agricultural products for 2 years following the termination of the war. No one knows better than this audience that price support programs don't always function 100 percent, especially on perishables, but I have no doubt but what Congress and whatever administration is in power will stand behind this price support program.

This price support program plus the fact that the end of the war will come in two phases will help hold the line long enough to enable farmers to make adjustments and for agriculture, business, labor and Government to work out post-war policies.

Just what will the situation be with reference to agricultural production after the war production program is terminated? First, what about acreage? That's only one factor in agricultural production but, of course, an important one. The phenomenal crops of 1942 and 1943 were grown on about the same acreage as the average from 1935 to 1939. For 1944 the estimated acreage is a little larger but not materially so. Some of the increased production per acre was due to exceptionally favorable weather but in considerable part it was due to improved farming practices. Advancement is being made continually along this line and we may expect that in the post-war period yields per acre will gradually increase. Therefore, even if we could continue to consume as much as during the current period, it is probable that 10 years from now it could be grown on a smaller acreage if necessary and desirable.

What about manpower? Well, our production in 1943 was achieved with the smallest number of persons working on farms in the whole 35 years for which statistics have been available. It is indicated that the number for 1944 will be still less. This, however, is in line with the trend for many years. According to the Bureau of Agricultural Economics, agricultural production per worker, in 1940-43 as a whole, averaged 25 percent greater than in 1935-39 and 67 percent greater than in 1910-14. These gains, of course, were due to mechanization, improved practices, better varieties and strains of crops and livestock and other factors making for greater efficiency, all of which may be expected to continue.

Will those who have left the farm during the war period return and, if they do, what will be the effect on agricultural production and prices? A great deal depends upon the answers to those questions. Perhaps no one knows the answer but preliminary surveys indicate that a large proportion of those who have left the farm for industry would like to stay there. I think we are safe in assuming that they will stay there if

they can get jobs at good wages. If jobs are not available, they'll return to the farm for there is no place else to go. This is in entire harmony with what has happened in the past and has resulted in the seeming paradox that when farm prices are good, people leave the farms and when they are bad, there is a movement back to the farm. The explanation is that good farm prices come with employment and good wages in the cities, and poor farm prices with urban unemployment and low wages, coupled with the further fact that even in times of farm prosperity wages in the city are more attractive, and life on the farm, under any conditions, is better than unemployment in the city. If, through a lack of jobs in industry, most of those who have left the farms return to agriculture, we will, in all probability, find ourselves with farm surpluses for which there is no market because surplus labor in agriculture means surplus production. This means that the key to the entire problem is jobs. Jobs in industry mean markets for farmers.

It all adds up to the fact that the post-war problems of agriculture cannot be separated from these of industry and labor. All are interdependent. If we can maintain industrial employment in this country sufficient to give jobs at good wages to all who want to work, we will have, in a large measure, solved the problem not only of labor but of industry and agriculture. If this can be done, agricultural producers can count upon a domestic demand for farm products almost equal to our production during the war period, although it may be necessary to make shifts in types of production. Unfortunately, because a considerable part of its expansion went directly into war sources, the poultry industry will likely be required to make some downward adjustments even under conditions of full employment. Perhaps, however, no greater than those which have already been made.

We can have full employment and abundant production in this country only if agriculture, labor, industry and government get together on such a policy. As far as farmers are concerned, they instinctively favor such a policy. They are satisfied only when producing. In recent years many farmers have cooperated in programs for adjusting and reducing production but they have done so without enthusiasm and because it seemed the only way out of an otherwise hopeless situation. Yet if post-war policies on the part of government, industry and labor contemplate restrictions on production, agriculture will have to follow suit. For the whole of industry or labor such a policy would be just as harmful as it would be for agriculture. Yet there are some branches of industry in a position where they can follow monopoly practices, which may conclude that their selfish interests can best be served by restricting production and depending on high prices and high profits. There are labor organizations which have, in the past, kept down the labor supply by a combination of the closed shop, restrictions on union membership, and slow-downs. Undoubtedly those who advocated and followed such practices felt that they were benefiting themselves. Perhaps they were. Even if they want to do so, there is no way by which farmers can follow the practices of industry and labor in restricting production. The Government will have to do it for them. That means bureaucracy, conferences, consultants, statisticians, and coordinators, none of which are particularly popular with farmers no matter how necessary they may be, and it doesn't mean fair prices or prosperity. We learned that from 1933 to 1939. During that time we tried about everything in the way of agricultural programs. We spent billions of dollars on agricultural adjustment payments alone. The number of employees in the Department of Agriculture increased fourfold. In spite of all this we wound up

with prices at only 75 percent of parity when the war began in September 1939. Yet in a comparatively short time the war, by creating a demand and buying power for farm products, more than doubled net farm income.

We can feel encouraged over the fact that all over the Nation today groups representing industry, labor, and agriculture are working on post-war plans. Several of these are national groups, such as the Committee for Economic Development and the National Planning Association. Labor organizations, industrial groups, and farm groups are hard at work over the Nation. There are perhaps 3,000 State and local groups considering post-war planning. Government departments are busy, and congressional committees have done much. We have won the battle of war production because millions of Americans worked together with one common purpose in mind. Is it too much to hope that a similar united effort now will bring about a program of abundant production following the war?

I hope the emphasis which I have placed on cooperation between Government, industry, labor, and agriculture to bring about abundant production has not created the impression that this is the whole problem. Each group has its separate and specific problems. Some of those pertaining to agriculture are as follows. The order in which I have arranged them is not based on their importance.

1. The disposition of Government-owned property. Of direct interest to agriculture are four types of such property. First, supplies of food and other agricultural commodities which may affect prices when they are thrown on the market. These must be disposed of with as little loss as possible. At the same time their disposition must be calculated to cause the least possible disturbance of prices. Second, land purchased for defense installations. Much of it is fertile crop land. There will be demands that this land be returned to private ownership as soon as possible and that former owners and war veterans be given a preference in its purchase. Strong arguments can be made for this course, but I suggest we approach the matter with caution. Why not keep this land in Government hands until we are sure it is needed for productive purposes. When and if it is, its disposition will be simple. Third, plants which might be used after the war for the manufacture of fertilizer. We should take care to see that their disposition and use are not adverse to agriculture. Fourth, plants which have been constructed by the Government for the processing of agricultural products.

2. Our Federal reclamation policy should be such that new land will not be brought into cultivation and production until it is definitely needed.

3. Foreign trade policies. Abundant production means an expanding foreign trade. It means more imports as well as more exports. Such a program need not be inimical to agriculture. If properly worked out, it can be helpful. This could be the subject of an entire discussion, but time forbids more now.

4. Conservation of our land resources. From a long-time standpoint, this is perhaps the most important subject of all. In the immediate future it will be helpful if it can be integrated with production adjustment programs.

5. There should be further study and investigation of crop insurance. Experiments along this line up to date have not been entirely encouraging. There is nothing, however, which will do as much to stabilize agriculture as a workable system of crop insurance. The matter is so important that nothing should be left undone to work out a practical program.



6. Further consideration of what constitutes parity with a view of obtaining a more up-to-date formula. Poultry producers are justifiably interested in a basis which gives greater weight to their production costs.

7. A better marketing system for farm products. No producer in the world has as little to say about the price and disposition of his product as the farmer. It is doubtful if any other business could survive such a marketing system. The House Committee on Agriculture is about to begin a thorough investigation of this subject. This investigation will be fair, objective, and thorough. Its sole object will be to determine how well our present system is working and what improvements might be made in it. The investigation will cover all phases of marketing, including transportation, terminal market facilities, commodity exchange, surplus disposal, and cooperative marketing. I consider this one of the most important investigations ever authorized by Congress.

8. Provision whereby farmers working in co-operation can take temporary or seasonal surpluses off the market. Perhaps all surpluses could not be handled that way. Surpluses of nonperishables which might be carried through more than one season might need Federal financing but even in those cases it would be preferable if they could be handled through farmer owned and controlled organizations.

9. Any post-war plans for agriculture should take into consideration that, as time goes on, we will need less rather than more manpower in agricultural production. Since 1900 the proportion of our working population in agriculture has fallen from 37 percent to 15 percent and it is still falling. There may be temporary checks in this descent but mechanization and better farming practices will continue to increase output per worker and probably at a greater rate than the increase in agricultural consumption. For this reason, we ought to be very careful and conservative in any plans to put returning soldiers on the land lest we do both the soldier and existing farm operators an injustice. Undoubtedly there are many men in the armed forces who came from farms and will want to return to them. They should be given every opportunity to do so, and the further opportunity to acquire land ownership and the equipment with which to farm it where this can be done on the basis of values which will enable profitable operation. However, there is danger that in our commendable desire to assist soldiers in re-establishing themselves after the war we will do them a great injury by letting our hearts rather than our heads determine the policy to be followed.

All of you can think of other questions which must be considered in connection with plans for post-war agriculture. Time does not permit me to mention all of them. At the risk of further imposing on your patience, I want to suggest one more. That is the matter of living conditions on the farm. Not long ago I heard a brilliant farm woman speak on this subject. She told of her experience after she went to the farm as a bride, of the many inconveniences with which she had to contend and how her beautiful new kitchen was cluttered up with the firewood, the incubator, and even sick chickens and pigs. When she mentioned this to other farm women, their usual reply was "Well, it just has to be that way on a farm." All of us who have lived on farms know the conditions under which our mothers and grandmothers worked. They've improved somewhat but there is still plenty of room for more improvement. Any planning for agriculture ought to have for one of its objectives parity of living conditions on the farm including health, education and recreational facilities, vocational opportunities and the

complete conveniences of modern life in the way of housing, sanitation, water supply electricity, and good roads. Probably, it is too much to expect that people living in rural communities will be able to keep up with those living in the city in attaining all of the conveniences of modern life. For this there are compensations, because there are advantages which country people enjoy which cannot be duplicated in the city. Certainly, however, people who live on our farms are entitled to ask that they have the same over-all opportunities for health, education, and recreation possessed by those living in the city.

These are great days. Never since the beginning of recorded history has the world faced such stirring events as are occurring everywhere today. Even as we meet here the mighty panorama of battle is roaring to a climax in every quarter of the globe save that in which we live. Soon as we count time it will be over. This war will be won by the greatest combination of military power ever assembled in all history. It will be won because we and our allies have been able to work together and fight together in a great common cause.

But winning the war is not enough. As the day of victory approaches, we see that if we are to win the peace it will take the same mighty effort, the same cooperation, which it took to win the war. That is true in the international field. It is true here at home. Mark what I say. Our most difficult days are ahead. It's going to be harder to secure united effort after the war ends. The pressure of national danger will be gone. The solidarity that comes in fighting a common enemy will be missing. Some of the hatreds which we have turned against the enemy are going to be turned into channels which will create disunity here at home. There will be attempts made to array group against group and class against class. These efforts must not succeed: There must be harmony. Industry, labor, agriculture, and Government must remain united. There is no other way to win the peace.

### Our Kids Are Bums?

#### EXTENSION OF REMARKS OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1944

Mr. ANTON J. JOHNSON. Mr. Speaker, last Friday on leaving the National Naval Medical Center I gave a lift to a uniformed merchant marine seaman going into town. This boy, and I might add just an average typical American boy, carried a heavily bandaged arm in a sling. After a little patience, I got his story.

A ship had been blown from under him in the South Pacific by a torpedo from a Jap submarine. The crew, unarmed, took to the lifeboats, the Jap submarine then surfaced, and its laughing crew of beasts raked the lifeboats with machine guns.

After a considerable pause he said, "I am going to be well by January 1, in time to go on my new ship; I am going to be in the invasion of Japan."

Then slowly and sadly, as he looked into the distance, he added: "They killed

my twin brother, they killed 58 of my friends on my ship."

There we have the evidence of just a typical American boy and his sense of the obligation of American citizenship responsibility. It is the answer to the title of the following editorial in the Macomb Daily Journal of Macomb, Ill.:

#### OUR KIDS ARE BUMS?

Again, and again, and again: Would you please, Mrs. Eleanor Roosevelt, go back in a corner somewhere and sit down and keep still. In any weather you're bad enough, but in this heat you're almost too much.

Some months ago the First Lady (that's hard to take) predicted that American boys would lose their regard for human life and their sense of fair play as a result of war service.

Now it is her idea that youngsters lack citizenship responsibility. American school systems, she says, "have fallen down so terribly in providing instruction in practical self-government." To develop citizenship responsibility she advocates compulsory military training after the war for both boys and girls of age 18.

Some of Mrs. Roosevelt's children may be a keen disappointment to her, and if so, there is some reason for it, but she has no right to assume that every parent is equally unfortunate. Indeed, all facts contradict her.

Where, we would like to ask, has there been grander demonstration of citizenship responsibility than by hundreds of thousands of American youngsters who with serious loyalty and enthusiasm are serving in the armed forces?

Most of them, we would remind Mrs. Roosevelt, entered the service as buck privates. The shiny bars of a captaincy were not handed to them on a platter. However, any sense of inferiority they might have felt was more than offset by mental complacency made possible by their freedom from marital worries and the complications that may be incidental to a string of ex-wives scattered over the country.

If Mrs. Roosevelt were ever in the White House it would be in order to express the hope that the edifice soon ceases to be a glass house from which stones are hurled by an individual whose own failures as a parent and whose demonstrated love for collectivism moves her to advocate giving the state a hand in the rearing of children after the Russian pattern. But she is not often there. She races hither and yon across the country and not infrequently invades other countries, there to give counsel on the shortcomings of the younger generation, explain her odd theories of democracy, or attempt to advance the prestige of her husband.

Which leads us back again to this thing of citizenship responsibility.

Transportation facilities are so overtaxed that young men in uniform, who, according to Mrs. Roosevelt, lack citizenship responsibility, are forced to sleep in the aisles of hot and dilapidated day coaches. These same men who on furlough are allowed such a meager ration of gasoline that they have to do a bit of chiseling if they want to drive out of sight of their homes. It is preached to the public day after day that the shortage of gas and tires is critical, that people must stay off trains so that troops and wounded men can be moved.

Yet Mrs. Roosevelt travels continually.

What do you mean citizenship responsibility, Mrs. Roosevelt?

If every civilian were as lacking in citizenship responsibility in this respect as you are Mrs. Roosevelt, and if every citizen had traveled only half as much, it would have been impossible for this country to have moved a single soldier to embarkation points.







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No.127

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 16, 1944, for actions of Tuesday, August 15, 1944)

(For staff of the Department only)

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HOUSE

1. PROPERTY DISPOSITION. Began general debate on H. R. 5125, providing for the disposal of surplus property (pp. 7028-55). Rep. Sabath, Ill., discussed the disposition of machinery abroad and criticized proposals to place the SWPA under a board rather than an administrator (pp. 7028-9). Rep. Colmer, Miss., discussed the objectives of the bill (pp. 7031-2). Rep. Tarver, Ga., urged donation of surplus property to local educational systems (p. 7034). Rep. Manasco, Ala., criticized proposals to give property away (pp. 7034-7). Reps. Pace, Ga., Manasco, and others discussed the provision for the control of surplus agricultural commodities (under the SWP Administrator) in this bill (pp. 7038-9). Rep. Voorhis, Calif., criticized the "handing over of a large acreage of agricultural land to the" RFC for disposition (pp. 7039, 7054). Rep. Manasco discussed the problem of plant disposal and inserted a table showing Federal expenditures in connection with plant construction (pp. 7039-41). Rep. Gifford, Pa., inserted a proposed amendment as a substitute for Sec. 15 (g) pertaining to agricultural lands (p. 7044), and other members discussed this with him (pp. 7044-5, 7047). Reps. Wright, Pa., Whittington, Miss., Gossett, Tex., Holifield, Calif., and others discussed the administrative powers for interpreting Congressional intent and policy under this bill (pp. 7046-7).

SENATE

2. PERSONNEL; EMPLOYEE DETAILS. Sen. Wherry, Nebr., criticized "the borrowing of experts by Congressional committees" and inserted a Washington Post editorial and his letter to the Joint (Byrd) Committee on Reduction of Nonessential Expenditures on this subject (pp. 7019-20).
3. FOOD ADMINISTRATION. Sen. Wherry, Nebr., criticized the effects of corn prices and governmental regulations on cattle production; inserted a Livestock Producers' Association report on the subject; and urged that early action be taken on



S. Res. 309, authorizing an investigation to determine the conditions prevailing in the production, processing, distribution, and marketing of agricultural commodities, including livestock, feed, poultry, milk, eggs, and the products thereof (pp. 7021-23).

4. PERSONNEL. Received from this Department revised estimates of personnel requirements for the period Apr. 1, 1943, through June 1, 1944. To Civil Service Committee. (p. 7005.)

Received CSC's 23rd annual report of the Board of Actuaries of the Civil Service Retirement Disability Fund for 1943. To Civil Service Committee. (p. 7005.)

5. POST-WAR ROADS. Sen. Davis, Pa., urged that early action be taken on H. R. 4915, the so-called Federal highway bill (p. 7005).

6. PROPERTY DISPOSITION. Sen. Johnson, Colo., submitted an amendment in the nature of a substitute which he intends to propose to S. 2045, providing for surplus property disposal (p. 7007).

7. POST-WAR PLANNING; EMPLOYMENT. Sen. Vandenberg, Mich., inserted Lee Wolman's statement criticizing S. 2051, the Kilgore-Murray-Truman unemployment compensation bill (pp. 7010-11).

8. POLITICAL ACTIVITIES; SELECTIVE SERVICE; INFORMATION. Passed as reported S. 2050, removing certain limitations in connection with the distribution of Government-sponsored propaganda to the armed forces (pp. 7011-5).

9. ADJOURNED until Friday, Aug. 18 (p. 7023). Sen. Hill, Ala., stated that the bill providing for the disposal of surplus property (S. 2045) will probably be brought up Mon., Aug. 21 (p. 7019).

#### ITEM IN APPENDIX

10. LEND-LEASE; POST-WAR PLANNING. Rep. Lane, Mass., inserted a Boston Post editorial criticizing the British suggestion for post-war continuance of lend-lease (p. A3893).

#### BILLS INTRODUCED

11. PROPERTY DISPOSITION; VETERANS. By Sen. O'Mahoney, Wyo., S. 2078, to establish a central inventory of federally owned real property, to provide for the orderly disposition of certain surplus real property owned by the U. S., and to provide for the disposition of such property for the benefit of veterans so far as practicable. To Public Lands and Surveys Committee. (p. 7006.)
12. GRAIN TRANSPORTATION. By Sen. Langer, N. Dak., S. Res. 321, to direct an investigation with respect to the causes of the existing shortage of railroad cars for the transportation of grains in the States of North Dakota and Texas, and means of relieving such shortage. To Interstate Commerce Committee. Remarks of author. (pp. 7007-8.)

#### ITEM IN FEDERAL REGISTER August 15, 1944

13. FORESTRY. Executive Order 9464, transferring the use, possession, and control of certain Nantahala National Forest lands from this Department to TVA (pp. 7879-80).

Paul E. Thomas, French Creek, W. Va. Office became Presidential July 1, 1944.

Arch C. Moore, Glasgow, W. Va. Office became Presidential July 1, 1944.

Everett B. Wray, Glen White, W. Va. Office became Presidential July 1, 1944.

Guy R. Avey, Great Cacapon, W. Va. Office became Presidential July 1, 1944.

William H. Ryan, Hendricks, W. Va. Office became Presidential July 1, 1944.

Ray E. Craddock, Henlawson, W. Va. Office became Presidential July 1, 1944.

Van B. Stith, Highcoal, W. Va. Office became Presidential July 1, 1944.

Frank O. Trump, Kearneysville, W. Va. Office became Presidential July 1, 1944.

Buster G. Bowling, Lester, W. Va. Office became Presidential July 1, 1944.

Grace V. Crow, Letart, W. Va. Office became Presidential April 1, 1944.

Louise W. Davis, Lookout, W. Va. Office became Presidential July 1, 1944.

Lacy P. Wallace, McAlpin, W. Va. Office became Presidential July 1, 1944.

Virgil L. Mathias, Mathias, W. Va. Office became Presidential July 1, 1944.

Estrue K. Harrah, Meadow Bridge, W. Va. Office became Presidential July 1, 1944.

Gusta Gall, Moatsville, W. Va. Office became Presidential July 1, 1944.

Veda M. Dunham, Proctor, W. Va. Office became Presidential July 1, 1944.

Lora E. Ambler, Red House, W. Va. Office became Presidential July 1, 1944.

Amer W. Loughry, St. George, W. Va. Office became Presidential July 1, 1944.

Orion G. Callison, Slab Fork, W. Va. Office became Presidential July 1, 1944.

Robert E. Wilson, Stanaford, W. Va. Office became Presidential July 1, 1944.

Sada S. Goode, Stirrat, W. Va. Office became Presidential July 1, 1944.

Emmett W. Williams, Statesbury, W. Va. Office became Presidential July 1, 1944.

Edmund C. Berkeley, Van, W. Va. Office became Presidential July 1, 1944.

Edith Mead, Wilsonburg, W. Va. Office became Presidential July 1, 1944.

James N. Flanigan, Wolf Summit, W. Va. Office became Presidential July 1, 1944.

#### WISCONSIN

Abraham A. Siegel, Hawthorne, Wis. Office became Presidential July 1, 1944.

Gregor John Bock, Highland, Wis., in place of A. J. McGuire, transferred.

Henry Magnuson, Irma, Wis. Office became Presidential July 1, 1944.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate August 15, 1944:

#### IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

George Smith Patton, Jr., to be brigadier general, to rank from September 1, 1943.

George Smith Patton, Jr., to be major general, to rank from September 2, 1943.

#### POSTMASTERS

#### FLORIDA

Frank A. Clement, Boca Raton.

#### NEW HAMPSHIRE

Irving Rolston, Greenland.

#### OKLAHOMA

Florence A. Davis, Goltry.

#### TEXAS

Hazel M. Rioks, De Kalb.

#### UTAH

Affalone Jensen, Centerfield.

William Grogan, Price.

Martha E. Alverson, Stockton.

#### WASHINGTON

Velma P. Hix, Duvall.



# House of Representatives

TUESDAY, AUGUST 15, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of majesty and mercy, from whom to turn away is to fail, but in whom to trust and abide is victory, we pray that all the barriers that separate us from Thee may be broken down and submerged by a renewed consecration to Thy holy will.

Reverently we would now wait upon Thee, drawn not only by our finite needs but impelled by that infinite assurance that Thy strength is made perfect in weakness and by those glorious promises that they who wait upon the Lord shall mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint.

We pray that the spirit of knowledge and understanding, of insight and inspiration, of fidelity and fortitude, may be given unto the Members of Congress, upon whom there rests the responsibility of leadership in finding ways whereby the kingdom of blessedness shall be brought in an abundant measure to suffering and struggling humanity.

Hear us in the name of Christ who went about doing good and who gave His life for the redemption of the world. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. LEWIS asked and was given permission to extend his remarks in the RECORD.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one, to include an editorial appearing in the Lawrence (Mass.) Evening Tribune, dated July 22, 1944, entitled "Strongest Front," and, in the other, an editorial appearing in the Boston (Mass.) Post, dated August 8, 1944, entitled "Post-war Lend-Lease."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

## THE RECENT POWHATAN MINE DISASTER

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. LEWIS addressed the House. His remarks appear in the Appendix of today's RECORD.]

## NATURAL GAS VERSUS ANTHRACITE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. WALTER addressed the House. His remarks appear in the Appendix of today's RECORD.]

## DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. SABATH. Mr. Speaker, I call up House Resolution 620, and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 620), as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, to provide for the disposal of surplus Government property and plants, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Expenditures in the Executive Departments now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes. I shall later yield to the gentleman from New York [Mr. FISH] the usual 30 minutes.

Mr. Speaker, this rule makes in order the consideration of a very, very important bill, H. R. 5125, that has been thoroughly considered and on which hearings have been held by many committees of the House, including special committees, and also committees of the Senate, looking to an orderly and prudent disposition of Government property.

It includes the combined wisdom and judgment of many Members of the House and embodies many of the provisions of the various bills that have been introduced by many of the Members on both sides of the aisle.

I wish to congratulate the committee that reported this bill, because, before it reported the bill, the committee members used excellent judgment in obtaining advice from outstanding men of the various Government departments and agencies, and many leaders in private life who are vitally concerned, all of whom enlightened members of the committee on expenditures in the executive departments preliminary to the preparation of this important piece of proposed legislation that will have to do with the disposition of billions and billions of dollars worth of Government property at the termination of the impending war and even before that.

Mr. MANASCO, the chairman of the Committee on Expenditures in the Executive Departments, Mr. WHITTINGTON, Mr. GILLETTE, Mr. GIFFORD, Mr. CHURCH, and Mr. PATMAN appeared before the Committee on Rules, and, after the committee had heard all these gentlemen favor this proposed rule, it unanimously reported this rule, which provides for general debate of not to exceed 2 days on the bill. After the general debate, the bill will be considered under the 5-minute rule. This is not a closed or a gag rule which some people thought we should bring to the floor of the House. The Committee on Rules and the legislating committee which reported the bill felt that any Member of the House who might wish to do so should have the opportunity to offer an amendment.

I understand that some amendments will be offered; but, having read the bill carefully and heard the testimony, I feel that this is about as strong and as nearly perfect a bill as the House can pass. Of course, there is nothing perfect, but I think this is a splendid bill, splendidly written.

Again I say that the committee did not feel that it should rely solely on the various departments which submitted their recommendations and ideas as to what the bill should contain. The members of the legislative committee themselves have seen fit to revise and rewrite and amend the bill so that today I think it is about as good a bill, and as carefully written, as I have stated before, as it has ever been my pleasure to report a rule on.

There are some provisions in the bill in which I have been interested for many years, due to the experience and knowledge I gained during the last war. They relate to the disposition of surplus Government property abroad. I feel that



any machinery or tools or anything else that we may possess abroad after this war should not be sold for a song or given away to any country, regardless of how friendly it might be, to enable it to compete with us and so deprive American labor of employment. I know many gentlemen are now seeking to obtain a great deal of the up-to-date machinery that has been designed during the last few years, and that some of the foreign countries would like to secure this machinery so as to be able to compete with us in production and so take business and work away from our country.

The House will be fortunate to hear an explanation of the bill from the chairman of the Post-war Committee, the gentleman from Mississippi [Mr. COLMER], who originally introduced the bill, after his committee had held many hearings on it. He feels that the committee now reporting the bill has acted wisely in adopting certain protective amendments.

There is only one contest or objection that I feel may arise as to the bill. It provides for one surplus property administrator. Some gentlemen feel that there should be a surplus-property disposal board. I, myself feel that the responsibility of administrative authority should not be divided, but should be vested in one man so that he may be held accountable by the Congress, by the President, and by the country. We have a man who is now acting in that capacity by Executive order of the President, Mr. W. L. Clayton, Assistant Secretary of Commerce, who, I am informed, is very capable and desirous of serving the country. Although the bill provides a compensation of \$12,000 annually for a surplus property administrator, I understand that remuneration does not interest him, as he is supposed to be a very wealthy gentleman. The chairman, the gentleman from Texas [Mr. PATMAN] and the membership of the House Small Business Committee feel that a board should be created for the purpose of disposing of these tremendous surpluses of materials, merchandise, plants, and machinery running into the billions of dollars. I have the utmost confidence in the sincerity and judgment of the gentleman from Texas [Mr. PATMAN] but I feel in this instance there should be no division of authority. It should be vested in one head who should and will be held accountable and responsible for the efficient administration of the disposition of these tremendous surpluses and the safeguarding of the Government's interest in every respect.

Mr. Speaker, I recollect regretfully the mishandling of our surplus property after the last war, both here and abroad, when some irresponsible gentlemen having authority to dispose of the surpluses played into the hands of their own former employers, which brought about prosecutions in 1921 and 1922 of some but not all of them. This situation I hope will not happen again because, as one who insisted on the prosecution of the guilty manipulators after the first war, I pledge myself to do likewise if I should obtain any information as to any malfeasance or unfair dealings on the part of those

who will be entrusted with the disposition of these billions of Government surplus property. I feel that the pending bill provides all proper safeguards and it is my earnest hope that the man that the President will appoint will measure up to the fullest degree in honestly and efficiently carrying out this job to the best interest of the Government. Some persons believe that the present surplus property administrator will be designated to act under the provisions of this measure. I do not know but I do hope he will be a man who has no connections with any special business or financial interests or with the group who are now maneuvering to acquire some of the large plants, stock piles of raw materials, and merchandise.

Mr. Speaker, it was my privilege to take up with the President about a year ago the need for legislation to provide for the proper disposition of our surplus property. I especially called attention to the need of safeguards which would not permit cartels or any foreign nation to acquire our latest designed machinery and tools, and even raw materials, that were in use in foreign countries which, if acquired, would operate to our disadvantage in that with this latest equipment they would more easily compete with us. I called attention to what one of the friendly nations was then doing and is even now undertaking to control foreign trade after the war. I know what is being done in Mexico and South America, and its activities are surely not conducive to our best interests. At the time of my talk with the President I think Mr. Clayton had already been appointed under the Executive order, and it is my recollection that he thought he had appointed a good man to devise plans and to formulate a policy for the efficient disposal of our surplus property. Shortly after this I submitted my views to Mr. Clayton as well as to others named by him and admonished them as to the care that must be taken in the disposition of these vast surpluses so that there might not be a repetition of the conditions experienced after the first war. I recall a conference I had with a gentleman, Mr. Olrich, who impressed me greatly as a sound, capable, and experienced businessman, who acquainted me with the preliminary plans for the disposition of the surplus property under the jurisdiction of the Procurement Division of the Treasury Department. It is men of his type needed in the administration of the disposition of these vast surpluses and it is to be hoped that more men of his business caliber will be found in the organization provided for under this bill.

Mr. Speaker, I have foreseen the need of this legislation for over a year, but after all, as others have stated, the proper and successful disposition of the surplus property will depend largely on how the law will be administered. I know that it is the President's earnest desire that these surpluses be disposed of in such manner as to do the least harm to our economic structure and at the same time to bring the largest available return to the Government in order to

lessen the burden of taxation as much as possible. I regret I cannot recall the words of the President, but in substance he emphasized his sincere desire to obtain the services of the most efficient, capable, and sincere men to constitute the organization force to bring about the early and proper disposition of the surpluses and at the same time to give the small businessmen, the small merchants, the farmers, and the exservicemen full opportunity to acquire a just share of the lands and surplus property that will be available.

Mr. Speaker, I reserve the remainder of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is an open rule, and I do not think there will be very much opposition to it. It brings before the House one of the series of bills that have to do with post-war economic planning and adjustment. The House has been criticized, I believe, very unjustly, in the press and over the radio by commentators and held responsible for the delay in the consideration of this bill. Now, let us look at the record, as Al Smith used to say, and see what the record discloses. The Congress put through, and it was enacted into law on July 1, the so-called termination of contracts bill, which provided for the termination of the war contracts. That was the first of the series of this type of legislation emanating largely from the Committee on Post-war Economic Policy and Planning. Most of it originated from the recommendations of Mr. Bernard M. Baruch and Mr. John Hancock. This is the second of the series and seeks to dispose of surplus war materials. I want to insist for the record that the Congress is not to blame in any way, neither the Republican nor Democratic Members, for the delay in the consideration of this legislation. Last June, or early in July, just before the House took a recess, there was a joint hearing in the Senate Office Building of the House and Senate Post-war Policy Committees, and William L. Clayton, the Administrator of Surplus War Properties, appointed under Executive order, testified before this joint committee. So far as I know, Mr. Clayton is an experienced and able administrator and is doing a good job. But, knowing in advance that the Congress would be attacked for the delay, I took occasion then to ask him why he had withheld for 3 months from making any recommendations for legislation to dispose of surplus war property and told him at the time that the Congress would be held responsible and not the executive branch of the Government and not Mr. William L. Clayton. He admitted the facts: that he was responsible for the delay; that the legislation was difficult, and that it took a long time to consider its ramifications to formulate a workable and constructive bill. He took the full responsibility, which was a fair thing to do, for delaying the consideration of this important legislation until 24 hours before the Congress took a recess. In the meantime the committees in both the



House and the Senate have proceeded and considered the legislation, and I want to give all possible credit to the gentleman who is sponsoring the legislation, my distinguished colleague the gentleman from Mississippi [Mr. COLMER], chairman of the Committee on Post-war Economic Policy and Planning, who remained in Washington during the heat of the recess with a subcommittee, and has worked out this bill and brought before the House a constructive piece of legislation to solve a very difficult and pressing problem. The House is here, ready to proceed, without any unnecessary delay, in enacting this legislation. It should be enacted into law before the 1st of September. I think we have done our full duty, and I commend the committees of the House for expediting the legislation.

There are one or two angles of the bill that I would like to discuss under the rule, which were not emphasized in the original bill. I think Members of the House who represent industrial districts will probably be interested in the proper solution of the following problem. We have sent vast quantities of goods of all kinds abroad. After the last war enterprising manipulators and businessmen bought goods and property which we had sent abroad at 5 and 10 cents on the dollar, and then brought it back here and placed it upon the American market, dislocating the home market and creating more unemployment. I believe amendments will be offered if our home market is not adequately taken care of in this bill; they are certain to be made on the floor of the House and I believe adopted, to prevent the redumping and resale of American goods that are already overseas in vast quantities which would come back here after having been bought at 10 cents on the dollar, to ruin the American market and create enormous unemployment. I am not sure whether it is properly safeguarded in the bill which was reported by the Committee on Expenditures in the Executive Departments. If that provision is not in it, then I hope that there will be a definite fight upon the floor of the House to prevent the redumping and resale of those goods upon the American market, because if they are, then the same thing will happen which happened after the last war where certain industries were put out of business and unemployment became rampant. There is a fight being waged on this bill on the ground that too much power is centralized in the director. I have a good deal of sympathy with those who would wish otherwise. The committee which considered this legislation had that under advisement from the beginning. We have no desire to set up a one-man dictatorship to dispose of the surplus war property, but after all, in dealing with a proposition of such magnitude, you have got to place power in the hands of one man. Therefore, as the result of the necessity and of the needs of the occasion, the director has been given vast powers. I do not know how you can limit those powers. If he is a good man he will do a good job. If he is a bad man he should not be there.

If he is incompetent he should not be there. He must report to the Congress every 3 months. He must come back for additional legislation. If he is not co-operating with the Congress and if he is not doing a good job, then the Congress can turn down his further demands for legislation or the Congress can write any legislation it desires in order to remedy the situation.

I must confess I do not know of any way of setting up an agency of this kind without giving the director vast powers to dispose of our surplus war material. We have to assume that the director will be honest, that he will be efficient, and that he will be a sound businessman and an able administrator. We do not know who will be appointed, but certainly Mr. Clayton has had business experience and has been a success in business and has handled the position he now holds ably and well. If he is appointed, he should make a capable administrator. It depends very largely on who is appointed. So far as I am concerned, I am going along with the committee to give proper and adequate power to the administrator and not dissipate it in lots of boards all over the country and get only limited results in disposing of our surplus war material rapidly, honestly, and efficiently.

Mr. Speaker, after this bill is through—and I believe it will be passed and enacted into law within 10 days—the Committee on Post-war Economic Planning and Policy proposes to recommend another bill almost immediately to set up a definite agency for mobilization of war and conversion.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

After the pending bill is disposed of and immediately following it, there will be another bill—a noncontroversial bill—to set up a definite agency by law instead of by Executive order, known as the war mobilization and conversion agency. I think that bill will be passed without any opposition, because it simply does by law what is now being done by Executive order. Both sides of the House are rather fed up with Executive orders and we prefer to legislate here in the House and set up our own agencies by law.

That leaves, as a part of the entire program for post-war economic policy and planning, just one problem. That is the controversial problem of unemployment insurance. I assume the Committee on Ways and Means will hold hearings, thorough and detailed hearings, to work out a proper and adequate program to submit to the House. When that is done, then the entire post-war program will be completed, no matter when the war is ended. Then the legislation will already have been enacted and will be effective immediately upon the termination of the war. To that extent I want to take occasion to express praise of the different committees of the House which have been working during the heat of the summer in getting this legislation in order. All we have to do in the next few days is to talk in general debate and act on the bill probably by Thursday

night. It is an important bill but not very controversial. However, there is one item that should be discussed even in this bill, and that is unemployment insurance. That is not contained in the bill. It seems to me we are facing this whole issue with a very defeatist attitude if we assume that after the war is over we will have twenty or thirty million unemployed and that everybody will have to have unemployment insurance in order to subsist.

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

Now, what is the purpose of all this legislation? It only has one purpose and that is to preserve our American system of free enterprise; to try to expand it in order to meet after-war needs, to employ over 20,000,000 people; 11,000,000 who will be mustered out from our armed forces and 11,000,000 more who will be demobilized from the war factories. This series of post-war bills have one objective, namely, to take care of the unemployment situation after the war and to save free American enterprise. We are trying to do it now by legislation in advance, to get business and the Government working together so that when the soldiers return we can convert from wartime to peacetime industry and proceed immediately to employ American labor. If this is not successful, if we fail here in Congress, and if industry and the Government fail then we face chaos in America with 20,000,000 unemployed. Then every radical, every Communist, every Socialist, every "pink," and "left-winger" will denounce American free enterprise and say that it has failed, and that we must scrap our American system and take up something else along communistic or socialistic lines or Government ownership.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield myself 1 additional minute.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. VOORHIS of California. I would like to ask the gentleman in line with what he has just stated himself about the importance of avoiding a period of unemployment depression, whether he does not think that will be avoided much better if the Congress, in a thoroughgoing, realistic fashion, faces the problem of preventing any serious decline in the market demand and consumer purchasing power of the country; and whether the gentleman does not think that the provision for adequate unemployment compensation is a part of that job to meet the reconversion program.

Mr. FISH. I just said that the Committee on Ways and Means should consider that whole problem separately and immediately, in a most careful manner; but not with the defeatist point of view that it is necessary to put every American on unemployment insurance after the war; because that is not the purpose of this legislation.



Mr. VOORHIS of California. Certainly not, but the more promptly you are prepared to prevent any spiral getting started the more certain you will be that none will start.

Mr. FISH. I understand the Ways and Means Committee will meet immediately to consider that problem.

In conclusion I again insist that the Congress has not delayed in considering this legislation, in spite of what the people back home have read in the press and heard on the radio. We have done our full duty and expeditiously. If there is any responsibility for delay it rests with Mr. William L. Clayton, of the executive branch of the Government. However, no harm has been done. This legislation will be enacted into law before the war has terminated. We hope it will end in a short time, but we will get this bill to dispose of surplus war material passed in a few weeks which will be ahead of a victorious conclusion of the war in Europe, and to that extent we have done our full duty and we are prepared to try to uphold and preserve free American enterprise and to employ our returning servicemen and those other millions of American wage earners who will be demobilized from our war factories.

THE SPEAKER. The time of the gentleman from New York has again expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, any measure that brings about a meeting of minds on the part of the gentleman from Illinois [Mr. SABATH] and the gentleman from New York [Mr. FISH] must be bombproof. I want to commend that which was said by both gentlemen to your careful consideration.

I remarked on yesterday in the Committee on Rules that I had seen evidence of more careful and straight thinking on the part of Congress in the last 10 days than I had expected. We found that in the Senate in what was done with respect to the George bill last week, and in this body in what thus far has been done with respect to the bill that is to be brought before you.

The Committee on Rules was tremendously impressed with the fine candor displayed by the gentlemen who appeared before that committee on yesterday advocating the granting of this rule. They made an extraordinarily fine showing, and I think completely broke down all resistance within that committee to the Colmer bill.

Of course, there are those of us who could find objections, but as to whether they are sufficiently valid as to justify amendments I am extremely doubtful. I am prepared to accept the bill as it has been reported. While I could favor the adoption of perhaps one or two amendments, I am constrained to believe that the House would make a mistake if it were to embark upon the taking of this bill apart and endeavoring to reconstruct it here on the floor.

I do not think any agency of this House has ever functioned more realistically, more sensibly, and I believe more

satisfactorily than the committee which worked out this bill, under the chairmanship of our friend the gentleman from Mississippi [Mr. COLMER]. The legislative committee reporting the bill considered it very carefully. The chairman of that committee the gentleman from Alabama [Mr. MANASCO], with members of the committee, appeared yesterday and disclosed that the Colmer bill was changed only in minor particulars. The bill as reported by the Colmer committee is substantially the bill that you have before you.

The gentleman from New York [Mr. FISH] made a correct observation when he said that the proposal was sound, and as to whether it worked satisfactorily would depend upon the administration. I think the general belief is, and I certainly think we all hope that Mr. Clayton will be named administrator. Thus far, under the executive order, he has done a splendid job. I have heard of no complaint except some delay in acting after his first appointment, which is easily explainable. It was a big job that had to be surveyed, examined, and studied in order to be treated intelligently, and it took some time for Mr. Clayton to get his bearings and accumulate information.

I am sure there is one thing that strikes the membership of this body as being most extraordinary, and that is the seeming unanimity of thought on this proposal. Thus far there has not been a single expression indicating any purpose on the part of anybody to make politics out of it. In its importance it transcends all politics and is being treated by this House as such. I hope the House may find it possible to accept the bill in its entirety as it has been proposed.

THE SPEAKER. The time of the gentleman from Georgia has expired.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, there is but one issue before the House at the moment, and that is, Does the House desire to take up for immediate consideration this bill which has been so adequately explained by those preceding me? It does not make any difference if there has been delay; and I say there has not been delay; the question now is, Shall we proceed to prepare for the day which we know is rapidly approaching? The bill before us deals with one segment of the problem with which we shall be confronted when that day arrives.

There is no occasion for debate on this rule, because I take it that every single informed person throughout the length and breadth of the land favors action now by the Congress on this particular subject matter. If this be true, then it is up to us to proceed. Your Rules Committee has granted in every detail the rule asked for by the committee reporting the bill. Under this rule the bill as prepared by the committee will be read. The reading of the bill will be preceded by 2 days of general discussion. All those who want to express their points of view on the bill—and the debate is confined to the bill; it is not to be a field day for speech making—will have the opportu-

nity. When the bill is read it will be read section by section, and every individual Member of the House will be given his right to offer such amendments as he may see fit, which are germane to the bill and which in any way will, in his opinion, perfect the bill. So far as I am concerned, with the superficial study I have been able to give to the bill, I am ready to vote for it as it is. I reserve the right, however, if and when amendments are offered by any Member, to support those amendments if I conscientiously believe they will better accomplish the purpose for which the bill has been presented.

I believe we ought to get to the business of the day as soon as possible, pass this rule without further discussion, and enter upon the task that is before us. The members of the legislative and special committees are fully advised and will explain in every detail every provision of the bill. If this bill can be improved, the House will have an opportunity to do that. If you have suggestions, here is the place to present them.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER] the chairman of the committee.

Mr. COLMER. Mr. Speaker, it is of course obviously impossible for anyone to undertake to explain a bill of this magnitude and of the complexities involved in the short space of 10 minutes, but with your permission and your patience I should like to discuss some of the high points of this bill.

Mr. Speaker, as already has been said, this subject of surplus property disposal has received careful, long, and thorough study by the Congress. When this Committee on Post-war Economic Policy and Planning was set up, one of the first things it did was to have before it the distinguished gentleman who now heads the Office of Property Disposal, Mr. W. L. Clayton, and we went into that matter thoroughly with him at that time. As my distinguished colleague the gentleman from New York [Mr. FISH] has already commented, Mr. Clayton, by implication at least, asked that time be given to study this matter, believing that, in the light of the experience he would gain in disposing of the then surplus property, we no doubt would be in a more advantageous position to legislate intelligently upon this subject. Many hearings were had. Extensive hearings were had by the Committee on Public Lands, of which the gentleman from Texas [Mr. LANHAM] is chairman, and of which the gentleman from Alabama [Mr. MANASCO] is a member. As has already been said, joint hearings were had between the two post-war committees of the Senate and the House; then a subcommittee headed by the gentleman from Pennsylvania [Mr. WALTER], a member of the House Post-war Committee, went into hearings on the matter. Then the Post-war Committee of the House and the Committee on Expenditures which had reported this bill held joint sessions last week, and again the matter was thoroughly considered. As a result of all these hearings you now have before you H. R. 5125, a bill that is not perfect, but one that



seeks to obtain certain objectives. I believe these objectives can be stated broadly in two subheads: First, the objective of protecting the American taxpayer; and, second, the objective of disposing of this surplus property with as little interference with our American economy as possible. These are the broad objectives of the bill. The divisions might be subdivided into many parts, and in order that you may see their ramifications I refer you to page 7 of the report submitted by the Post-war Economic Policy and Planning Committee, but which I shall not take your time to read here or go into.

In the preparation of this bill we wanted to attain those two objectives. We also wanted to see that the small taxpayer, the small merchant, and the man of small means had an equal opportunity with the man of more means to acquire this property.

We also wanted to see that the returning veteran would be given an opportunity to acquire this property. We also wanted to provide that the property shall be disposed of through the regular commercial channels insofar as possible so as not to dislocate the domestic market. These and many other things we had in mind in the preparation of this bill.

But bear in mind, Mr. Speaker, it is absolutely impossible to spell out in this legislation any particular thing that may be desired to obtain. Whenever one does that, without bearing in mind the other things involved, he runs headlong into another objective which he had. The result is that if we are not very careful we will defeat the very purposes which we set out to obtain in the beginning.

Let me say further that this is possibly the largest merchandising job that has ever been undertaken, as someone has previously said. The Administrator of this set-up, under the pending legislation, will be called upon to dispose of more merchandise than any merchant ever had in the history of this country. Let us just see how we are going to do that, if that situation is true. Let us assume that you had acquired the greatest supply of merchandise ever put together in the history of the world. Would you undertake to write certain proscribed formulas from which there could be no variation? For instance, the price of 10,000,000 or more articles that would be disposed of, from which there would be no leeway and no discretion? Of course, you would not, because that would be foolish. To bring it back to a more apt illustration, Should this Congress take over Sears, Roebuck and say that their property should be disposed of in such and such a manner and at such and such a price? You realize that could not be done because before the ink had dried on the regulations and the formula prescribed the prices would change, a new condition would arise, and there would be practically an impossible situation.

Mr. CARTER. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from California.

Mr. CARTER. As I understand it, the gentleman introduced H. R. 5125.

Mr. COLMER. Correct.

Mr. CARTER. That was referred to the Committee on Expenditures, which committee struck out all after the enacting clause and wrote a new bill. I would like to know what the difference is between the bill originally introduced by the gentleman and the one we are considering at the present time.

Mr. COLMER. I regret my time will not permit me to go into detail about that. I may say to the gentleman that there has been no substantial change made in the pending bill from that originally introduced by me. That is, the bill introduced by me on June 23 and the bill reported on August 10. There are some clarifying amendments, there are some changes that have been made, but in the over-all management and control of the whole picture there has been no change.

Mr. SABATH. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Illinois.

Mr. SABATH. I may say to the gentleman from California [Mr. CARTER] and to the House, I am satisfied that later on the chairman of the committee reporting the bill and other members of that committee, including the gentleman from Mississippi [Mr. WHITTINGTON], will be able to explain the various amendments that have been adopted and explain wherein the bill has been even strengthened over the one originally introduced.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. COCHRAN. Will the gentleman yield?

Mr. COLMER. I yield to the distinguished gentleman from Missouri, who is a very able member of the Committee on Expenditures that reported this bill.

Mr. COCHRAN. The gentleman may tell the gentleman from California [Mr. CARTER], as I can tell him, that it was in the interest of orderly procedure that the committee struck out all after the enacting clause. There were numerous amendments in there which you may say were clarifying amendments. By making a single amendment out of the substitute it will be easier to consider on the floor of the House.

Mr. COLMER. Quite right, and I thank the gentleman for that contribution.

Mr. Speaker, I think I can safely say this, and if I am incorrect a member of the Committee on Expenditures, such as my distinguished friend from Alabama who has labored so efficiently and long on this matter, can correct me. Your committee shared the desire of all good citizens that disposition of Government surplus property shall be handled in a wide, economical, and efficient manner, that all citizens and business concerns shall have equal opportunity to purchase this property, that it should not be disposed of through speculators in order that some of our citizens may become enriched at the expense of all others.

After many days of careful consideration and painstaking research the committee is of the opinion that the disposal program is so large and embraces

so many hundreds of thousands of various articles that it is impossible for the Congress to legislate in detail. To attempt to do so would defeat the very purposes sought; namely, of protecting the taxpayer without at the same time upsetting the national economy.

Mr. COX. Can the gentleman find it possible in his remaining time to discuss just why an individual has been set up as administrator, rather than providing for the creation of a board? That seems to be the matter about which most of us would like information.

Mr. COLMER. I shall be glad briefly to comment upon my friend's inquiry.

There have been two schools of thought about whether this matter should be handled by one man, an administrator, or by a board. That question was considered by the agencies; it was considered by the two economic post-war committees of the House and Senate; and it was considered by the Committee on Expenditures which reported the pending bill. I think it is safe to say that the best judgment of all those whom I have enumerated and who have considered this proposition is that the most effective manner to handle this is to center the authority, and there is plenty of it, and the discretion, in one man rather than in a board. You would have conflicting opinions, you would have a division of authority, you would have a conflict between the various agencies down here. So it was thought, and the best considered judgment of all, was that this matter should be centered in one head, namely, an administrator. Of course, the administrator is going to have advice. He has told our committee that he is going to get the best advice that he can obtain. He is now getting advice from various boards and agencies, both private and public.

Nobody has any pride of authorship about this matter. We all want to get a job done. That is true of the Post-war Committee; it is true of the Committee on Expenditures. I wonder if I may digress just a moment to say that you have here an unusual situation. You have had two committees jointly considering this matter, giving their best judgment to what ought to be done in connection with it, which I think is a novel procedure and a procedure that will work out, I am sure, most advantageously.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. COLMER. Mr. Speaker, in conclusion, I just want to add this. Some question has been raised about amendments. I think some of the amendments that have been made in the Committee on Expenditures have been good amendments. Speaking for myself individually, if anybody has an amendment that will better obtain the objectives sought in this legislation, then it is his duty to offer it under the 5-minute rule. If anybody can state a better way to do it, then it is his duty to state it. But this is no time for political amendments. This is no time for amendments simply for pride of authorship. This is a bill that the country is intensely interested in, and it ought



to get what it is entitled to—the best judgment of this House.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. GIFFORD], a member of the Post-war Economic Policy Committee.

(Mr. GIFFORD asked and was given permission to revise and extend his remarks.)

Mr. GIFFORD. Under the rule, a few very general remarks on the bill ought to be appropriate. Of course, we are in favor of this bill. We may need to amend it. I warn some Members that you had better amend it if you want to protect your constituents in your own particular localities. I shall vote for it, but like on some other occasions, I am sorry that I have to do it. How long, how long must I continue to vote to set up Government agencies headed by what we call bureaucrats? How many more? We are told that after we pass this there will come along another to be superimposed upon this one. The administration of this law will be far more important than the law. For many years I have had the idea that Congress should pass laws; and when these laws are disobeyed, an aggrieved party could complain and justice administered. Have we come to the point where we should have a law against thievery and then set up a bureau to supervise and supersede the courts? Must we continue to add to this Frankenstein machinery of government? I should well hesitate. A prominent speaker recently told an audience in my district that he would not vote for any Congressman who voted for another bureaucratic set-up.

This is a real problem, but do not worry too much about this bill. It is easily read. It is rather simple after all. But it is to be a law of the Congress and approves and takes the place of an Executive order. It gives the order standing and permanence. They will then come before the Congress and get the money directly. I do not know, of course, where the money is now coming from to carry on at present. You will find some employees will be under civil-service regulations and the Classification Act. But as to a host of specialists the Administrator will be able to choose and pay them apparently what he may think adequate to get them. I understand Mr. Clayton is the head of the organization at present. I rather expect he will be appointed for these 2 years and his appointment approved by the Senate. But, of course, he comes from Texas, and Texas does not stand well—does it—at present?

There is something lurking in my mind—I do not know what it is—that there may be a danger of his reappointment. Probably my fear is groundless, but does Texas now have influence with the administration? I would not want the country searched for another social worker to head this great merchandising effort. I want a real businessman. I am inclined to say that the administration of this law is the important thing. However, it is to be a law and not an Executive order. Every law, I am told, simply makes more thieves and robbers, as they

have to learn new tricks to evade it. The head of this organization, if he had a little malice in his heart, could easily ruin businesses and individuals. Of course, I believe in one man rather than an independent board. I have in mind a locality contributing 9 percent to the war effort of production, but has few new plants built by the Government. They have built them in other sections of the country, ready to go when the war is over, and this locality will meet terrific competition from the great plants in other sections.

We are trying to define policies in this bill. We have, or did have, the Atlantic Charter. It stated objectives. It contained pious statements that met with great approval. This bill contains splendid statements of policy. The gentleman from New York [Mr. FISH] said, "Do not send surpluses back from foreign countries and dump them to the ruin of our own industries." The only trouble with that statement is that he does not tell us what to do with that surplus overseas. Perhaps he will tell us later. But I am wondering what we will do. Mr. Clayton says he has sold some surplus property and that he has done it for cash only. We have a big international banking bill coming along. The manufacturers here may then export and expect this bank to arrange payment so other nations could exchange their currencies for our dollars. I am inclined to think there is some virtue in that. If our own manufacturers could get the money from ourselves, it would seem to be in line with that strange doctrine that I have had indoctrinated in me during the last 10 or 12 years, "What of our national debt; don't we owe it to ourselves?" The idea that everyone should expect the Government to look after them is gaining impetus. We are thinking about the unemployment insurance problem that the Committee on Ways and Means is considering. How liberal are we to be? Indeed, how this administration has indoctrinated everybody with the idea that the Government should look after them. This reminds me of the story about the contractor and the little daughter whose father was injured on the job. The contractor said, "How long will it be before father will come back to work?" She said, "I do not think for a long time. Compensation has set in."

Contemplate the groups who have been banding themselves together, the discontented, the disgruntled, the Communists, all sorts of—what would you call them, left wingers—so-called radicals. I do not know what to call them. They are American citizens, apparently. They have indorsed this dangerous doctrine. Some fled from their former governments, and they come over here and try to indoctrinate us with the same form of government from which they themselves desired to escape.

I am trying to make a few general statements under the rule. I am trying to give warning of the trend of events and enlarging powers of the Government. We will discuss the bill later. It is not a difficult bill to understand.

I want to pay a high tribute to the gentleman from Mississippi [Mr. COL-

MER]. He has done a splendid job. I have not been present at many of the hearings. It is very fortunate for him, and for me, that I was not, because I might have hindered. I might have asked questions. But I have read most of the hearings and I think it is more profitable to read than to be influenced by the gestures and the facial expressions of the man who is making the argument. You might be unduly influenced and form a prejudiced opinion. Mr. Clayton might have won me over so completely with his first few statements that I would not need to hear anything more. Certainly, we have confidence in him.

However, we may well fear that malice, prejudice, and human frailties may enter into decisions, and you Congressmen, after this bill is passed, will be besieged by your constituents, "The Government took our land. You see to it that we get it back at the same price or a less price." There will be all sorts of requests from them. We will again have another bureaucrat, and another bureaucratic organization. Our lives are now dedicated to appealing to bureaucrats, such as the O. P. A. and others, trying to get some relief for our constituents.

Here is another highly important thing. We do not want to injure the market. But we should dispose of a lot of this surplus material now while people have the money and while there is a shortage of consumer goods. Let us not wait and then 3 years from now dump it when everybody needs a job. We must see that this property is disposed of in such a manner that it will not harm those who need employment, but does anybody know how to do it? Let us get it into the hands of the proper dealers, and into the hands of the storekeepers, while there is need for it and while there would be as little dislocation as possible. Later we would be trying to carry water on both shoulders.

We will discuss the details of the bill later on in general debate.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

#### INAUGURATION OF THE PRESIDENT-ELECT OF THE UNITED STATES

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 40, Seventy-eighth Congress, the Chair appoints as members of the joint committee to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January 1945, the following Members of the House: Mr. RAYBURN, Mr. DOUGHTON, and Mr. MARTIN of Massachusetts.

#### EXTENSION OF REMARKS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that in the remarks I shall make in the Committee of the Whole this afternoon I may be permitted to include certain tables, excerpts, and laws.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.



Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein some statements.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MANASCO. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the report has gone throughout the Nation that the Congress has been derelict in its duty in not making studies of the problems of reconversion that face our country immediately upon the cessation of hostilities, which we all hope will be in the not-far-distant future. I want to give you a little history of the background.

In February 1943 we started hearings in the Committee on Expenditures in the Executive Departments on the bill H. R. 1610. We held hearings for about 3 months on that bill. On the 9th day of June 1943, we passed H. R. 2795, which was a rewrite of H. R. 1610.

Since that time other committees have been making studies of the disposal of surplus war plants, lands, and so forth. Extensive hearings have been held in the Committee on Public Buildings and Grounds on the disposition of lands and war plants. The Patman small-business committee held extensive hearings on this question. The Post-war Planning Committee, of which the gentleman from Mississippi [Mr. COLMER] is chairman, held extensive hearings. All Government agencies that have or expect to have surplus properties have been making studies of this problem. The industries, the consumers, the labor organizations have been making studies, and their recommendations have been made available to our committee.

At the outset may I say that this is not a perfect bill. No bill that can be written will answer all the questions. Our committee endeavored to deal with this problem as a national problem, not as a local problem. This surplus property belongs to all the people of the United

States and not to particular localities. We have had recommendations placed before our committee to earmark certain of the surpluses. We have turned down those recommendations because we feel that if you open the gate for any group to get in and obtain surpluses free, you will not be able to resist the pressure of all other groups to turn property over to them free.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Georgia.

Mr. TARVER. I desire to call the gentleman's attention to the provision contained in the Labor-Federal Security Agency Appropriation Act for the fiscal year 1945, which read as follows:

*Provided further*, That any personal property formerly belonging to the National Youth Administration and loaned to any public school, school system, or institution of higher education within any State under the provisions of Public Law 140, Seventy-eighth Congress, under the heading "War Manpower Commission," shall vest in, be, and become the property of such school, school system, or institution of higher education in which such property is located.

Is it or is it not the gentleman's opinion that there is anything in the bill as reported by his committee which would have the effect of repealing that provision of the Labor-Federal Security Agency Appropriation Act?

Mr. MANASCO. No; nothing in this bill would repeal that.

Mr. TARVER. Following that question up, the gentleman has just expressed himself as being against the provision in this legislation of anything which would authorize the donation of any of the various items or surplus property dealt with by the pending bill. May I ask the gentleman if there is in his judgment any difference in principle between the donation of National Youth Administration property, concerning which Congress has already expressed itself, and for the donation of which it has already provided, and the donation of equipment used in the training of war workers in vocational education training to local and State vocational education systems? Why should not the pending bill grant authority to the Administrator to donate, in cases where it is felt that it is justifiable to donate, property of that type to State and local school systems, and also some school buildings owned by the Federal Government?

Mr. MANASCO. And hospitals also.

Mr. TARVER. They have been constructed entirely at Federal expense in communities where the school population has increased largely because of war industries. The major portion of those buildings have become part of local school systems, but some of them, as I am advised, are still the property of the Federal Government. Why should not there be authority in the Administrator to donate, without requiring full payment therefor, these particular buildings where they are needed in connection with the local school systems? What would there be in such a provision which has not already been approved by the Con-

gress in passing the law with reference to the disposition of N. Y. A. property?

Mr. MANASCO. May I say to my friend, the gentleman from Georgia, if I recall the background with reference to the disposal of N. Y. A. properties, at the time the Congress refused to extend the life of the N. Y. A., their argument for justifying the extension of their life was that they were training war workers. I may not be stating the true background, but in my opinion the true background for authorizing these tools to be donated to these schools was to let our industrial schools, our high schools, and our colleges avail themselves of those tools so they could train war workers.

Mr. TARVER. Why should not that be done in the case of this other equipment to which I have referred?

Mr. MANASCO. We hope we will not have to be training war workers in the next 2 or 3 years. We hope when this enormous surplus starts to be disposed of, we will not be training war workers.

Mr. TARVER. Of course. Then why not turn over that equipment to local schools for educational and vocational training purposes?

Mr. MANASCO. But if the Congress in its wisdom desires to give away this surplus property we will have nothing left to apply to the staggering war debt.

Mr. TARVER. Then do I understand the gentleman to express himself clearly as being opposed to the donation of this equipment which has been used in the training of war workers to local vocational-school purposes?

Mr. MANASCO. If the gentleman will permit me to express my opinion, it is that if you are going to give anything to anybody, let us give it all away.

Mr. TARVER. In other words, the gentleman would not be in favor of permitting the donation of such equipment to local vocational and educational schools unless we give all Government surplus property away?

Mr. MANASCO. I think our farmers would be entitled to free donation of jeeps and trucks and other equipment.

Mr. TARVER. I regret very much to hear the gentleman express that opinion, because I am very hopeful the House will decide before the conclusion of the consideration of this bill to authorize the donation of this surplus equipment to local educational systems.

Mr. MANASCO. Mr. Chairman, I will be glad to yield to the gentleman from Georgia some time to express his point of view. I just want to call to the attention of the Congress some things that happened after the last war. We are trying to profit by the sad mistakes that were made after the last war. There was no orderly disposition of surpluses after the last war. Every few days Congress would pass a new law or an Executive order would be issued to give away certain equipment. The ultimate result was that the taxpayers did not recover much to apply to the war debt at that time, which was infinitesimal as compared to the present war debt.

Mr. Chairman, at this point I want to place in the RECORD some brief excerpts of Executive orders and laws:



## EXHIBIT

## ACTS OF CONGRESS, ETC., AUTHORIZING DISPOSAL OF SURPLUS WAR SUPPLIES, ETC., AFTER WORLD WAR NO. 1

Executive Order No. 3012, of November 29, 1918, provided that all surplus materials, supplies, and equipment not required for use by the executive departments, etc., in Washington should be transferred to the Secretary of the Treasury for reissue or sale on requisition to the Government service, through the General Supply Committee, or for condemnation and sale to the highest bidders when deemed expedient, and authorized the Secretary of the Treasury to make rules and regulations to carry out this order. (Repealed by Executive Order No. 3019, below.)

Executive Order No. 3019, of December 8, 1918 (U. S. C. 40: 311a, note), provides:

"Whereas, the present emergency has created a condition whereby large quantities of office material, supplies, and equipment now in the hands of the executive departments and other establishments of the Government in the District of Columbia will fall into disuse because of the cessation of war activities, or for other reasons, it hereby is ordered that all such office materials, supplies, and equipment not required for use by the executive departments and independent establishments be transferred hereafter to the Secretary of the Treasury, to be handled through the General Supply Committee for the benefit of the municipal government and the governmental service in the District of Columbia in the following manner:

"1. The several executive departments and independent establishments and the municipal government in the District of Columbia shall not purchase any of the classes of material described herein unless the Secretary of the Treasury has certified that there is not in the possession of the Government material, equipment, or supplies that are serviceable.

"2. No executive department, independent establishment, or the municipal government of the District of Columbia shall be permitted to obtain any of the classes of material, supplies, and equipment described herein from the Secretary of the Treasury unless such services have an appropriation available for the procurement thereof.

"3. All material obtained from the Secretary of the Treasury shall be paid for by transfer of appropriation from the purchasing service to the selling service and the proceeds covered into the Treasury in accordance with existing law.

"4. All material, supplies, and equipment purchased hereunder by one service from another, if the same has not been used, shall be sold at actual cost, and if the same has been used, at a cost based upon length of usage, but in no instance to be less than 75 percent of cost.

"5. Material of the classes herein described which is condemned as unfit for use may be disposed of otherwise than to governmental services by the Secretary of the Treasury. And usable material remaining unsold to other services of the Government shall be held by him for disposition by law.

"6. The Secretary of the Treasury shall keep a record of all material received and disposed of by him hereunder and the price at which disposed of, and shall prescribe the regulations necessary to carry this order into effect.

"7. This order shall supersede the Executive order of November 29, 1918, dealing with the same subject matter."

An act of February 25, 1919 (40 Stat. 1163) and Treasury Department Appropriation Acts of May 29, 1920 (41 Stat. 644-645) through March 5, 1928 (45 Stat. 164) continued the Executive order of December 8, 1918, in effect until June 30, 1929, without modification, except

that proceeds from transfer of appropriations were to be covered into the Treasury as miscellaneous receipts, and that beginning February 17, 1922, a provision was added requiring that the price charged should be the current market value at time of issue, less a discount of not more than 25 percent for usage. Finally, the Treasury Department Appropriation Act of December 20, 1928 (45 Stat. 1030; U. S. C. 40:311a) provides:

"The Executive order of December 8, 1918, shall apply to all materials, supplies, and equipment now or hereafter becoming surplus or unusable in any executive department or independent Government establishment in the District of Columbia and shall continue in effect hereafter without modification, except that the prices charged for reissued surplus materials, supplies, and equipment, shall be the estimated current market value at time of issue, and that the proceeds from the transfer of appropriations thereunder shall be covered into the Treasury as miscellaneous receipts: *Provided*, That the heads of the executive departments and independent establishments and the Commissioners of the District of Columbia hereafter shall cooperate with the Secretary of the Treasury in connection with the storage and delivery of material, supplies, and equipment transferred under the foregoing provisions."

The Post Office Department Appropriation Act of February 28, 1919 (40 Stat. 1200, sec. 4), provided:

"Sec. 4. That the Postmaster General and other responsible officials, in expending appropriations contained in this act, so far as possible shall purchase material, supplies, and equipment, when needed and funds are available, from the various services of the Government of the United States possessing material, supplies, and equipment no longer required because of the cessation of war activities. It shall be the duty of the Postmaster General and other officials, before purchasing any of the articles described herein, to ascertain from the other services of the Government whether they have articles of the character described that are serviceable. And articles purchased from other services of the Government, if the same have not been used, shall be paid for at a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government are authorized to sell such articles to the Postal Service under the conditions specified and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt."

Similar provisions are contained in the following appropriation acts: Legislative, Executive, and Judicial, March 1, 1919 (40 Stat. 1268 sec. 8), Deficiency, July 11, 1919 (41 Stat. 67, sec. 5; U. S. C. 40: 311), District of Columbia (41 Stat. 103 sec. 7), which includes food supplies, as well as materials, etc., Sundry civil, July 19, 1919 (41 Stat. 232 sec. 3).

An act of February 25, 1919 (40 Stat. 1174) directed the Secretary of War to transfer to the Secretary of the Navy for the use of the Marine Corps, without payment, such reserve stock of clothing, arms, and equipment, and other necessary supplies, inventoried at the cost to the Army and not to exceed in the aggregate \$7,000,000, as the same from time to time might be requisitioned.

An act of February 28, 1919 (40 Stat. 1194) directed the Secretary of War and the Secretary of the Navy to deliver immediately to the Postmaster General, at his request, such airplane machines, supplies, equipment, and parts as may be serviceable and available for the airplane mail service, out of any War or Navy Department equipment on hand or under construction, the appropriations of the two departments to be credited with the equipment turned over to the Post Office Department.

This act (p. 1201, sec. 7) also authorized the Secretary of War to transfer to the Secretary of Agriculture all available war material, equipment, and supplies not needed by the War Department, but suitable for road construction and provided that the same should be distributed among the highway departments of the States for use on Federal-aid highways. The Secretary of Agriculture could reserve 10 percent of such material, etc., for use on national forest roads, etc. The Federal Highway Act of November 9, 1921 (42 Stat. 213 sec. 5), directed the Secretary of War to transfer to the Secretary of Agriculture, upon his request, all such war material, etc., declared surplus from stock then on hand, etc. An act of April 9, 1924 (43 Stat. 90 c. 86 sec. 3) authorized the Secretary of Agriculture to reserve, in addition to the above 10 percent, 5 percent for transfer to the Secretary of the Interior for construction of roads and trails in national parks and monuments. (See also act of March 15, 1920, below.)

An act of March 3, 1919 (40 Stat. 1303 sec. 3; U. S. C. 42: 43) directed the Secretary of War "to transfer without charge to the Secretary of the Treasury for the use of the Public Health Service such hospital furniture and equipment, including hospital and medical supplies, motor trucks, and other motor-driven vehicles, in good condition, not required by the War Department, as may be required by the Public Health Service for its hospitals, and the President is authorized to direct the transfer to the Treasury Department of the use of such lands or parts of lands, buildings, fixtures, appliances, furnishings, or furniture under the control of any other department of the Government not required for the purposes of such department and suitable for the uses of the Public Health Service."

(See also act of March 15, 1920, below.)

The Victory Liberty Loan Act of March 3, 1919 (40 Stat. 1312 sec. 7) authorized the Secretary of the Treasury, with the approval of the President, until eighteen months after the war, to extend credits to any of our allies to enable them to purchase Government property not needed by the United States and any wheat for which the price was not guaranteed.

An act of July 11, 1919 (41 Stat. 105, U. S. C. 10: 1265) provided that in addition to the delivery of property theretofore authorized to be delivered to the Public Health Service, the Department of Agriculture and the Post Office Department, the Secretary of War might sell any surplus supplies, including motortrucks and automobiles, then owned by the Government for use of the War Department, to any State or municipal division thereof, or to any corporation or individual, upon such terms as might be deemed best.

An act of July 11, 1919 (41 Stat. 130 ch. IV, U. S. C. 10: 1251) authorizes the Secretary of War to turn over, on request from other executive departments, without charge therefor, such ammunition, explosives, and other ammunition components as may become surplus or unsuitable for War Department purposes. An act of July 19, 1919 (41 Stat. 193) authorized the Secretary of War to transfer, without charge, to the Secretary of the Interior, explosives and explosive material for which the War Department had no further use.

The act of July 11, 1919 (p. 130, ch. IV) also authorizes the Secretary of War to place at the disposal of the American Red Cross, medical and surgical supplies and supplementary and dietary foodstuffs in Europe not essential to the expeditionary forces or military hospitals in the United States, etc., to relieve and supply pressing needs of peoples involved in the war; the Secretary was to prescribe regulations and conditions for se-



lection and delivery of such supplies and foodstuffs.

An act of July 11, 1919 (41 Stat. 132, U. S. C. 10: 1274) authorizes interchange without compensation therefor, of military stores, supplies, and equipment of every character, including real estate, between the Army and the Navy upon the request of the head of one service and the approval of the head of the other service.

An act of July 19, 1919 (41 Stat. 181) authorized the disposition of any material or plant acquired by the United States Shipping Board Emergency Fleet Corporation as the President might direct. (Executive Order No. 3145 of August 11, 1919, conferred this power upon the Shipping Board. It directed the Board, in its discretion to sell, lease, or otherwise dispose of such materials (including stores, supplies, and equipment for ships) and plants, or any portions thereof, by public or private sale or contract, with or without notice, in such lots, at such times and places, and upon such credit, security, and other terms or conditions, and in such manner as said Board should deem to be the best advantage of the United States, either directly by the Board, the Fleet Corporation, or through any other corporation organized for the purpose).

An act of June 5, 1920 (41 Stat. 988-996) authorized the Shipping Board to sell all property, other than vessels, which had been acquired by the President under certain acts, upon such terms and conditions as the Board might direct. Proceeds, with certain exceptions, were to be covered into the Treasury.

An act of July 19, 1919 (41 Stat. 224) provided for the sale and conveyance of all property acquired under the War Housing Act of May 16, 1918 (40 Stat. 550-553) and remaining undisposed of after the termination of the war. Section 5 of this act (p. 233; U. S. C. 10: 1267) provides:

"Sec. 5. The Secretary of War is authorized to transfer any unused and surplus motor-propelled vehicles and motor equipment of any kind, the payment for same to be made as provided herein, to any branch of the Government service having appropriations available for the purchase of said vehicles and equipment: *Provided*, That in case of the transfers herein authorized a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage, shall be determined upon and an equivalent amount of each appropriation available for said purchase shall be covered into the Treasury as a miscellaneous receipt, and the appropriation in each case reduced accordingly: *Provided further*, That it shall be the duty of each official of the Government having such purchases in charge to procure the same from any such unused or surplus stock if possible: *Provided further*, That hereafter no transfer of motor-propelled vehicles and motor equipment, unless specifically authorized by law, shall be made free of charge to any branch of the Government service."

An act of November 19, 1919 (41 Stat. 360, ch. 118; U. S. C. 20: 93), authorizes the Secretary of War under such regulations as he may prescribe, to sell at 15 percent of their cost, to trade, technical, and public schools and universities, etc., machine tools under the control of the War Department and not needed for Government purposes. The proceeds are to be used to defray expenses incident to distribution, except cost of transportation, and the balance is to be turned into the Treasury as miscellaneous receipts, provided that title is to revert to the United States if such institution offers such material for sale without the consent of the Secretary.

An act of March 6, 1920 (41 Stat. 504), authorized the Secretary of War to transfer to the Federal Board for Vocational Education, without compensation therefor, certain surplus machine tools and equipment of the War Department then being used by the

Board as equipment for schools. Property so transferred was to be dropped from the records of the War Department on the filing of an itemized receipt for articles transferred. An itemized statement of items transferred and the cost price were to be reported to Congress by the Secretary. (An act of May 29, 1928 (45 Stat. 988), provided for discontinuance of reports to Congress.)

An act of March 15, 1920 (41 Stat. 530-531; U. S. Code 23:51, 52; 39:502, 503; 42:43-45) directs the Secretary of War to transfer such motor-propelled vehicles and motor equipment, including spare parts, as were or may be found to be surplus to (a) the Department of Agriculture for road work under section 7 of the act of February 28, 1919, above, provided the Department of Agriculture certifies that it can be used for such purposes within a reasonable time, (b) the Post Office Department for use in transmission of the mails, and (c) the Treasury Department for use by the Public Health Service under section 3 of the act of March 3, 1919, above. The Secretary was directed to transfer certain specified surplus road-making materials to the Department of Agriculture (sec. 2) and surplus telephone supplies to the Department of Agriculture for the Forest Service (sec. 3). The War Department was not to pay freight charges and was to be reimbursed for loading expense; States were to pay to the Department of Agriculture 20 percent of the estimated value of property received by them, against which sum the States could set off freight charges paid by them. Title to vehicles and equipment is to vest in the State for road work and is not to be sold, but the State may rent same to State agencies or municipal corporations for road work.

Acts of April 24, 1920, and of March 1, 1921 (41 Stat. 584, sec. 7; 41 Stat. 1155, sec. 2; U. S. Code 23:50) authorize the Secretary of War, under such rules and regulations as he may prescribe, to loan to any State, tractors not distributed under the act of March 15, 1920, for road construction, the expense of repairs and upkeep and of loading and freight to be paid by the State.

The Military Academy appropriation of March 30, 1920 (41 Stat. 547) directed the Secretary of War to turn over to the United States Military Academy, without expense, all such surplus material as might be available and necessary for construction of buildings and surplus tools and matériel for use in instruction of cadets. (This provision was repeated in subsequent acts through May 28, 1930, 46 Stat. 451.)

An act of April 17, 1920 (41 Stat. 554, c. 150; U. S. Code 10:1266) directs the Secretary of War to sell at public or private sale, under such rules and regulations as he may prescribe, all dental outfits in excess of the needs of the Government, preferentially to licensed dentists who served in the Army, Navy, Marine Corps, Coast Guard, or the American Red Cross during World War No. 1, but not more than one set of dental supplies is to be sold at private sale to any one person.

An act of April 23, 1920 (41 Stat. 573 c. 159) authorized the Secretary of War to sell for cash at the prevailing market price, from one to one hundred tons to any one purchaser, and aggregating not more than 100,000 tons, nitrate of soda then held as a reserve supply of the War Department, the proceeds of sale to be repaid to the proper item of current appropriations originally made for such purposes. The Secretary was to report to Congress not later than December 6, 1920, the names of all purchasers and prices for which sold.

An act of May 29, 1920 (41 Stat. 688, sec. 4), provided that all purchases of typewriting machines during the fiscal year 1921, except as hereinafter provided, should be made from the surplus machines in the stock of the General Supply Committee. The War Department was to furnish the General Supply

Committee a complete inventory of makes, models, and classes of typewriters in its possession, the condition of such machines and the point of storage, and was to turn over to the committee machines in such quantities as the Secretary of the Treasury might call for by special requisition for sale to the various services of the Government. If the committee was unable to furnish serviceable machines it was to furnish unserviceable ones at current exchange prices and machines were to be traded in as part payment for new machines. Until June 30, 1921, the War Department was not to dispose of any typewriters except to the committee. No typewriters that had been used less than 3 years were to be traded in. (This last provision is repeated in an act of June 5, 1920 (41 Stat. 947; U. S. C. 41: 27.) These provisions, except the last two sentences, were repeated in subsequent Treasury Department appropriation acts through March 2, 1926 (44 Stat. 139). The provision requiring purchase of typewriters from surplus stock of the General Supply Committee, etc., was repeated in subsequent Treasury Department appropriation acts through February 23, 1931 (46 Stat. 1219).

The Naval Service Appropriation Acts of June 4, 1920 (41 Stat. 835), and July 12, 1921 (42 Stat. 132), direct the accounting officers of the Treasury to credit "general account of advances" with the amount of net losses certified by the Paymaster General of the Navy as having been incurred in disposing of excess stocks.

An act of June 5, 1920 (41 Stat. 949; U. S. C. 10: 1262), authorizes the Secretary of War to sell to any state or foreign government with which the United States is at peace, upon such terms as he may deem expedient, any material, supplies, or equipment, except foodstuffs, as may be found to be surplus, which are not needed for military purposes and for which there is no adequate domestic market.

An act of June 30, 1921 (42 Stat. 68), authorized the Secretary of War to sell to any foreign state or government with which the United States was at peace, upon such terms as he might deem expedient, any surplus foodstuffs for which there was no adequate domestic market. (Repeated in act of June 20, 1922, 42 Stat. 717.)

An act of June 5, 1920 (41 Stat. 973), directed the Secretary of War to issue from surplus stores and material, such articles of Army clothing and equipment and field artillery matériel and ammunition as might be needed by the National Guard, without charge to the militia appropriations. (Similar provisions have been contained in subsequent appropriations through June 30, 1941, 55 Stat. 386.)

An act of June 5, 1920 (41 Stat. 1015, sec. 8; U. S. C. 10: 1257, 1311), authorizes the Secretary of War to transfer, free of charge, to the Chief of Engineers, United States Army, for use in the execution of civil works, such material, supplies, instruments, vehicles, machinery, or other equipment as may be found to be surplus.

An act of March 3, 1921 (41 Stat. 1231), provided that motor-propelled vehicles for the Indian Service were to be purchased from the War Department if practicable. (This proviso was repeated in subsequent acts through Mar. 3, 1925, 43 Stat. 1147.)

An act of March 4, 1921 (41 Stat. 1365; U. S. C. 42: 43), directs the Secretary of War to transfer, without charge, to the Secretary of the Treasury for the use of the Public Health Service such mechanical, construction, and miscellaneous material, hospital furniture and equipment, hospital and medical supplies, motortrucks and other motor-driven vehicles, not required by the War Department, as may be required by the Public Health Service for hospitals.

An act of June 16, 1921 (42 Stat. 37), provided that certain surplus property not re-



quired for the War Department and any suitable surplus property of the Navy Department be transferred for use in constructing, equipping, and supplying hospitals for disabled soldiers.

An act of August 9, 1921 (42 Stat. 149, sec. 9), authorized the Director of the Veterans' Bureau to use facilities of the Navy, War, and Interior Departments, the Public Health Service, the National Home for Disabled Soldiers, etc., and directed such governmental agencies to furnish such facilities, including necessary personnel, equipment, medical, surgical, and hospital services and supplies. (Superseded by similar acts of June 7, 1924 (43 Stat. 610, sec. 10), and July 2, 1926 (44 Stat. 790, ch. 723; U. S. C. 38: 434), which authorize the Director, at the direction of the President, or with the approval of the head of the department concerned to utilize such facilities and authorize such governmental agencies to furnish facilities, equipment, supplies, etc.)

An act of January 20, 1922 (42 Stat. 357, ch. 30), authorized the President to transfer, without charge, \$4,000,000 worth of surplus medical and hospital supplies of the War and other Departments to American relief organizations for transportation, without cost to the United States, for relief in Russia.

An act of February 17, 1922 (42 Stat. 369), provides that typewriters and computing machines transferred to the General Supply Committee as surplus, where such machines are unfit for further use, may in the discretion of the Secretary of the Treasury be issued to other Government departments and establishments at exchange prices quoted in current general schedule of supplies or sold commercially. (This provision was repeated in subsequent acts through Dec. 20, 1928, 45 Stat. 1030; U. S. C. 40: 312.)

An act of May 24, 1922 (43 Stat. 561), provided that the War and Navy Departments and the United States Shipping Board, upon request and without charge, turn over to the Indian Service surplus food, clothing, and other supplies to relieve destitution among the Indians.

An appropriation act of June 30, 1922 (42 Stat. 719-720), provided that uniforms and other equipment or material issued to the Reserve Officers' Training Corps were to be furnished from surplus stocks of the War Department, without payment except for expense incurred in manufacture or issue, and that the amount paid from this appropriation for such uniforms was not to exceed current prices. (Similar provisions have been contained in subsequent appropriation acts through July 2, 1942, Public. No. 649.)

This same act contained a similar provision as to uniforms, etc., for civilian military training camps. (Similar provision have been contained in subsequent appropriation acts through June 13, 1940, 54 Stat. 376.)

An act of June 20, 1922 (42 Stat. 717), provided that War Department funds were not to be used to transfer surplus property to other agencies when articles were located at a place where surplus quantities were so small that transfer would not be economical. (This provision was repeated each year through May 28, 1930, 46 Stat. 434.)

An act of June 30, 1922 (42 Stat. 765), provided that the Governor of the Panama Canal should purchase needed materials, when it was economical, from available surplus or reserve stocks of the War Department. (This provision was repeated in subsequent acts through Feb. 28, 1929, 45 Stat. 1386.)

Acts of June 7, 1924 (43 Stat. 533, sec. 1), and March 3, 1925 (43 Stat. 1211), authorized the Director of the Veterans' Bureau to sell at 90 percent of appraised value, to vocational schools, etc., surplus materials then owned by the Government and under the control of the Bureau.

The following provisions of law relating to disposal of public property were in force at the end of World War No. 1:

R. S. 197 (U. S. Code 5: 109) provides that the Secretaries of War and of the Navy (among other Secretaries) shall keep, in proper books, a complete inventory of all the property belonging to the United States in the buildings, rooms, offices, and grounds occupied by them and under their charge, adding thereto, from time to time, an account of such property as may be procured subsequently, as well as an account of the sale or other disposition of any such property.

R. S. 3618 (U. S. Code 31: 487) provides that proceeds of sales of supplies or other public property of any kind, with certain exceptions, shall be deposited and covered into the Treasury as miscellaneous receipts, on account of "proceeds of Government property" and shall not be withdrawn or applied, except in consequence of a subsequent appropriation made by law.

An act of July 2, 1918 (40 Stat. 753, sec. 8), amended by an act of April 24, 1920 (41 Stat. 583, sec. 3; U. S. C. 39: 504), authorizes the Secretary of War to turn over to the Postmaster General airplanes, automobiles, etc., unsuitable for purposes of the War Department.

An act of July 8, 1918 (40 Stat. 817; U. S. C. 50: 60), provides that such naval ordnance, etc., as the Secretaries of War and of the Navy may determine necessary, may be transferred from the Navy Department to the War Department. If such ordnance, etc., is obsolete for naval purposes the transfer is to be made without reimbursement, etc.; otherwise transfers are to be made only after a specific appropriation for payment has been made.

In addition to the above, there are provisions of law authorizing disposal of obsolete property of ships, or of real property which have been omitted. The following acts provide for disposal of specific property, for transfer of property to certain institutions or for disposal of property in a particular locality: Act of February 25, 1919 (40 Stat. 1163), July 11, 1919 (41 Stat. 57), July 19, 1919 (41 Stat. 205, 206), May 29, 1920 (41 Stat. 652, 663, 677), June 5, 1920 (41 Stat. 1035; U. S. C. 40: 186), March 3, 1921 (41 Stat. 1349), March 4, 1921 (41 Stat. 438, ch. 166; U. S. C. 20: 60), June 30, 1921 (42 Stat. 81), January 12, 1922 (42 Stat. 639), January 3, 1923 (42 Stat. 1079), January 5, 1923 (42 Stat. 1115), February 13, 1923 (42 Stat. 1232), and March 4, 1925 (43 Stat. 1281, ch. 539), March 3, 1921 (41 Stat. 1260, 1273, 1281).

I notice one act here provides for the transfer of foods. We have had pressure brought to bear to give away food. When you start giving away one commodity you open the floodgates. It might be interesting to the Members to know something about how much surplus we will have on hand when the war is over.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. Mr. Chairman, I would like to make a few remarks here so we will have some idea of the problem that confronts us.

Mr. VORYS of Ohio. Before the gentleman completes his very interesting discussion of these so-called donations, would not the right principle for Congress to have in mind be that when they use any property for any purpose it is just the same as using the taxpayers' money, if the purpose is such that they would have originally appropriated money for it? If it is a school or for any

other purpose, then the Congress would be justified in appropriating the property. But this property cannot be given away. It does not belong to the Congress to give away. It is the subject of an appropriation to dispose of in one way or another in the best interests of the country.

Mr. MANASCO. Of course, I think Congress has authority to enact laws to give it all away.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ROBERTSON. In that connection, is it not true under section 11 of the bill, which outlines the policies governing disposition, the Administrator can fix the price that he thinks certain public agencies should pay, in the interest of the public welfare, and give priority first to Federal agencies and then to State agencies and political subdivisions and cooperative and charitable or eleemosynary organizations?

Mr. MANASCO. That is to fulfill a legitimate need.

Mr. ROBERTSON. In that connection, the gentleman representing a rural district, I am sure is quite familiar with the valuable work done by volunteer fire companies. They have a quasi-public standing because they are recognized by most of the States and in a sense they might be called a cooperative organization as mentioned in section 11. Would the gentleman have any objection to adding to those specifically enumerated the words "volunteer fire companies," and putting those that can purchase essential fire-fighting equipment on a priority basis?

Mr. MANASCO. I think they would be covered in the bill under a liberal interpretation of the provisions of the bill. I do not think an amendment is needed.

Mr. ROBERTSON. But would there be any objection to them being specifically named?

Mr. MANASCO. I cannot speak for the full committee.

Mr. TARVER. Mr. Chairman, would the gentleman be kind enough to yield? I dislike to take so much of the gentleman's time, but I would like to make this point clear if possible. The gentleman has referred to the authority contained in section 11. However, section 10 (b) expressly provides that there can be no donation of any of this property unless it is worthless for commercial purposes or unless the cost of its care and dismantling is greater than the amount received.

Mr. MANASCO. That is correct.

Mr. TARVER. So that the authority to which the gentleman refers in section 11 is merely the authority to sell and not the authority to donate?

Mr. MANASCO. That is correct. It is merely the authority to sell.

Mr. PACE. Mr. Chairman, will the gentleman yield and permit one further interruption inasmuch as he has been interrupted?

Mr. MANASCO. I will be glad to yield.



Mr. PACE. I am disturbed because I have received different answers to this question. What is the gentleman's understanding under this bill of the handling and disposition of agricultural surpluses in which the farmers of this Nation are very greatly interested?

Mr. MANASCO. They cannot be given away.

Mr. PACE. I do not mean that they will be given away. I mean will the War Food Administrator, as the holding agency, or will the Surplus Property Administrator control their disposition?

Mr. MANASCO. The Surplus Property Administrator controls the disposition. He is not going to be the disposing agent. He has authority to delegate that authority to the War Food Administrator if he sees fit, or to any operating agency.

Mr. PACE. But he will determine the question of prices and policies?

Mr. MANASCO. Yes, sir; that is correct.

Mr. LANHAM. Mr. Chairman, will the gentleman yield for one question?

Mr. MANASCO. I yield.

Mr. LANHAM. It is not the policy, as outlined in this measure, to turn over property of a certain character en bloc, to some organization in order that that organization may dispose of it at great commercial profit, is it?

Mr. MANASCO. No, sir. No, sir. As I started to say a few minutes ago, there have been misunderstandings as to the amount of surplus that will be on hand when the war is over.

The CHAIRMAN. The gentleman has consumed 15 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 10 additional minutes.

Of course, nobody living can today state exactly how much surplus we will have. Most of this surplus is expendable. If the war lasts much longer, the surpluses, unless we produce more, will be diminished. We have had estimates ranging anywhere from sixty to one hundred and five billion dollars as the amount of surpluses there will be on hand when the war is over. Of course, the average person reading those figures thinks we will have \$105,000,000,000 worth of surplus property that can be used in our domestic economy. I think that a false impression and a dangerous impression to go out through the country. As a matter of fact, not all the combat planes that are declared surplus by the War and Navy Departments will be sold in the commercial market. A civilian could not afford to operate a P-38 or P-47, a B-17, a B-24, a B-25, B-26, or B-29. Those planes are going to be almost a total loss to the taxpayers of the United States. We will not be able to realize anything from them.

Tanks, landing craft, battleships, combat ships, of which we will have an enormous amount of surplus, all that can be realized out of them is what can be salvaged for scrap.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VORYS of Ohio. Is there any provision in the law to prevent our dis-

posing of these surplus war materials to other governments?

Mr. MANASCO. No, sir.

Mr. VORYS of Ohio. In the past there have been some scandals in that respect, in which we have furnished other governments with means to fight us or fight each other. I think that is one matter that should be controlled.

Mr. MANASCO. That is true. There is nothing in this act that will prevent our selling them.

Mr. LANHAM. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. LANHAM. There is nothing in the bill that would authorize the sinking of war vessels, without the action of the Congress, is there?

Mr. MANASCO. No, sir. The operating agency must declare property surplus before it can be sold by the Surplus Property Administrator. If the War Department decides to hold these planes and tanks and ordnance off the market, the Surplus Property Administrator will not have control over them.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. In reply to the question asked by the gentleman from Ohio [Mr. VORYS], is not the very first objective of this bill the disposition of surplus property to promote national defense of the United States? So that no war property could be disposed of if the Army and the Navy and executive agencies of the Government advise us that it can be used against us or against our defense?

Mr. MANASCO. The gentleman is correct.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ALLEN of Louisiana. Is there any provision in the bill authorizing the Administrator or anybody under him to dispose of individual units to farmers? For instance, a jeep.

Mr. MANASCO. He has that authority under this bill. He has authority to sell a can of tomatoes.

Mr. ALLEN of Louisiana. If this bill authorizes somebody to dispose of great quantities to somebody else and make a profit out of it, then the individual farmer is not going to get in on this. We want to fix it so that a man can go and buy an individual unit, such as a jeep or something like that.

Mr. MANASCO. He can do that under the provisions of this bill.

Mr. ALLEN of Louisiana. Without having to pay somebody a big profit?

Mr. MANASCO. Yes, sir. He certainly can.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Certainly until the war is over, and probably until a great deal of this property is disposed of, prices are all fixed, and no matter whether it is sold directly to the farmer, a truck or an automobile, the price will be fixed, so that he will not have to pay any more whether it is sold directly or indirectly.

Mr. PACE. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. PACE. That happens to be not the policy today when the farmer wants to buy a second-hand Army truck. In the first place he cannot buy it himself. He has to get it through a dealer. There can be slight repairs and an increase in the price of from 10 to 25 percent. If that is going to be the policy with regard to jeeps for the farmers and airplanes for the returning flyers, then somebody is going to make a huge profit under this bill. As I understood the committee, one of the purposes of the bill was to prevent unconscionable profits being made by people scooping up these surpluses and then retailing them out at big advances in price.

Mr. WHITTINGTON. The gentleman certainly understands we are not fixing prices. Unless prices are obtained otherwise, it would not be applicable under this bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I would like to make a general statement about this bill before we start discussing the different sections, just to give you some of the background which our committee studied before we prepared the bill.

A few moments ago I was discussing the amount of available surpluses. The highest estimate of personal property—that is, exclusive of war plants, and so forth—was about \$15,000,000,000. But, of course, this Surplus Property Administrator will have in his power the absolute power of destruction of certain industries in this country if he does not exercise reasonable discretion in the disposal of these surpluses. Take the canning industry, for instance: We will have on hand enough canned goods to absolutely destroy the canning industry in this country. If you start earmarking for any particular organization, the people who will be thrown out of work when the war is over should have an opportunity to have canned goods and foodstuffs given to them. If you are going to earmark for anybody I think the hungry man should be thought of first. When you earmark for the farmer trucks and jeeps and turn around and earmark for the consumer your surplus foods and canned goods, woolen blankets, shoes, and so forth, who suffers? The farmer. His market for the things he hopes to produce will be beaten down. That happened after the last war. We do not want that to happen again. That is the reason we want an orderly disposal of these surpluses. When you start opening the floodgates, do not forget Members of Congress are going to be hounded to death about these surpluses.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. DINGELL. What is in my mind at the present time has to do with certain surpluses. There are perhaps thousands of items to be disposed of. I am thinking of such surpluses as may be usable for the schools and universities.



Mr. MANASCO. We have discussed that. The gentleman from Georgia [Mr. TARTER] called attention to that.

Mr. DINGELL. Under the National Youth Administration plan there is very, very fine disposition of a limited amount of material in the hands of the National Youth Administration. Is that not going to be the guiding policy in this bill?

Mr. MANASCO. This bill does not authorize the Administrator to give anything away, except material that is worn beyond repair or has no commercial value.

Mr. DINGELL. In other words, certain things that our schools could use for the benefit of the youth of the land, no provision is made for disposition of that material?

Mr. MANASCO. No, sir.

Mr. DINGELL. There is no prohibition, however, in the bill against it, is there?

Mr. MANASCO. The administrator must sell for cash or something of value.

Mr. DINGELL. Then that is quite specific.

Mr. MANASCO. As I said a moment ago, this property belongs to the people all over the United States, not just one local community like my congressional district or your congressional district, but it belongs to everybody.

Mr. DINGELL. Then what about the disposable surpluses with regard to which the gentleman spoke just now, having to do with canned goods being given to the hungry?

Mr. MANASCO. I said if we open the floodgates for the school people, for the farm people and for other groups, then the thing that will hurt the farmer most is for us to give away canned goods and foods to the people who are hungry throughout the world. That is my argument against breaking down this orderly disposal of surplus property.

I want to pay my respects to the farmers of this country. Everybody else has been paying their respects to industry and labor for the magnificent job they have done in the war production. And they have done a magnificent job. But our farmers are producing 128 percent of the 1938 crop now. They are doing that without new machinery, whereas industry could come to Congress or to the operating agencies and get all the money and all the machines and equipment they needed to do their magnificent job. The farmer does have a little more claim than some other people to have some of these surpluses turned over to him at lower cost than to others, but with \$15,000,000,000 involved, with \$3,000,000,000 or \$4,000,000,000 of foodstuffs that can be thrown on the market when this war is over, a very serious problem is posed. We are already producing 28 percent more than we consumed in this country in 1938 and 1939. We must not lose sight of the fact that in the occupied countries we hope to restore to peace in the next few months, those farmers are going to start producing and we are not going to have to feed those people as long as a lot of us were led to believe. Those foreign

farmers do not want those surpluses dumped on their markets. This is an international problem as well as a local problem. In deciding this proposition of disposing of this surplus we have got to make up our minds whether or not we are going to permit our own local selfish interests to wreck an over-all orderly disposal.

The CHAIRMAN. The gentleman from Alabama has consumed 25 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, we of necessity give the administrator almost absolute power. We decided that had to be done if we wanted an orderly disposal of this property. Congress cannot write a reversion bill that will cover every question that may arise. If we did we could not realize anything out of this surplus and we might destroy the very economy we hope to restore when the war is over.

Our committee reviewed many suggestions. The question of a board instead of an administrator was one of them. As a matter of fact I believe I introduced in Congress the first bill providing for a board composed of Government representatives, industry, labor, and the public, and also providing for industrial advisory boards. That bill was H. R. 2498, introduced on April 15, 1943, not 1944. A lot of people who are today favoring a board then thought that the best way to handle this would be through an administrator—one man who would be responsible to the Congress, one man who would not be as easily persuaded by the different pressure groups maybe as representatives on a board. That of course is a question for the Congress to decide. We gave the administrator almost unlimited power in the disposition of these surpluses. We must rely on his ability, honesty, integrity, and far-sightedness.

Mr. Clayton appeared before our committee. If you will look in the hearings at page 50 you will find the regulation he issued relative to the disposal of the surpluses. I believe none of us can find fault with the manner in which Mr. Clayton has acted. We can, of course, find fault with some minor items, but I believe the broad manner in which he has handled these surpluses has been very good.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. I wish at this point in all honesty to say that I do criticize the handing over of a large acreage of agricultural farm land to the Reconstruction Finance Corporation for disposition. It does seem to me that that land should have been used in the program of reducing farm tenancy and it should have been put into the farm-tenant purchase program with preference to veterans. That is one thing that was done that I cannot help but criticize.

Mr. MANASCO. I may say to the gentleman from California that that is not provided by this bill.

Mr. VOORHIS of California. No; of course not.

Mr. MANASCO. He is doing that under his broad authority. That, of course, is subject to criticism by some of us. Others would criticize his turning it over to the Farm Security Administration.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Is it not a fact that the Executive order establishing this office provided that the Reconstruction Finance Corporation should be one of three Federal agencies to be used? So if there be any responsibility with respect to the disposition of this land it is rather under the Executive order than the policy of the Administrator.

Mr. VOORHIS of California. May I say I was not questioning Mr. Clayton's power to do what he did do; I admit he had the power to do it, but I do not happen to think he should have been able to do that.

Mr. WHITTINGTON. If I may make one more statement, Mr. Chairman, in view of that, when the President issued the Executive order he was justified, in my judgment, in undertaking to ascertain what agency of the Government could properly dispose of land, farm lands, and do so more successfully than any other agency. That was the Reconstruction Finance Corporation operating ever since the days of Herbert Hoover. It has been making loans, and my information is that they have disposed of and handled satisfactorily something like two and one-half or three million acres of land, something no other agency of the Government has done. So if we are to profit by the experience of the past, probably no agency in the Government could have handled this to better advantage, particularly in an effort to promote family-sized farms.

Mr. VOORHIS of California. One more observation, if the gentlemen will yield: I inquired of the R. F. C. and was told that they would have to put on a brand new set of people to handle this whole business if the land was to be disposed of in family size units.

Mr. WHITTINGTON. And, Mr. Chairman, in that connection, I understood they had the machinery already available. That was the testimony before our committee.

The CHAIRMAN. The gentleman from Alabama has consumed 30 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, one of the big problems to face solution by the Administrator will be the disposition of our war plants. Many of you do not have war plants in your communities. At this point in the RECORD I am going to insert a table showing that the Federal Government has expended over \$15,000,000,000 in the construction of war plants.

(The table referred to follows:)



TABLE III.—War industrial facilities financed with public and private funds  
(In thousands of dollars)

Type of product	Estimated cost		
	Public	Private	Total
<b>MANUFACTURING AND MINING FACILITIES</b>			
Ordnance:			
Explosives, ammunition assembling, and loading	2,848,346	20,651	2,868,997
Ammunition, shells, bombs, etc.	1,093,138	141,015	1,234,153
Guns and combat vehicles	1,225,370	214,796	1,440,166
Total	5,166,854	376,462	5,543,316
Aircraft—engines, parts, accessories	3,113,768	282,089	3,395,857
Ship construction and repair	2,128,465	172,932	2,301,397
Iron and steel and its products	1,068,866	881,097	1,949,963
Nonferrous metals and their products, total	1,167,568	362,797	1,530,365
Machine tools and other metal-working equipment	139,144	159,097	298,241
Machinery and electrical equipment and appliances	485,846	290,200	776,046
Chemicals (including synthetic rubber)	1,188,579	412,613	1,601,192
Products of petroleum and coal	211,465	595,641	807,106
Miscellaneous manufacturing	239,112	353,919	593,031
Mining of metal ores and minerals	147,424	176,177	323,601
Total	15,057,091	4,063,024	19,120,115
<b>INDUSTRIAL SERVICE FACILITIES</b>			
Gas, light, heat, and power	472,767	794,655	1,267,422
Transportation	191,309	1,188,885	1,380,194
Communication	3,975	131,320	135,295
Total	668,051	2,114,860	2,782,911
Grand total	15,725,142	6,177,884	21,903,026

War procurement, July 1, 1940–June 30, 1944  
(In billions of dollars)

<b>Supplies:</b>	
Aircraft:	
Combat aircraft	39
Transports	2
Ships:	
Combat vessels	23
Merchant shipping	9
Guns and ammunition	21
Trucks	5
Clothing and equipage	7
Food	7
Other munitions and supplies	21
Total	134
<b>War construction:</b>	
Military installations	17.5
Industrial plant and facilities	15.5
Total	33
Total, actual and scheduled	167

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. LANHAM. Does the committee have any information with reference to the number of these plants that might continue in operation at reduced production?

Mr. MANASCO. That is a question that I do not believe anyone at this time can answer. As I started to say, many of you have war plants in your districts, many of you have powder plants, chemical plants, synthetic-rubber plants, high-

octane gasoline plants, aircraft factories, and so forth. There are, of course, some people who want the Federal Government to continue to operate these plants, but I believe the large majority of the membership of this House wants these plants operated by private enterprise as far as possible. I do not believe our Government wants to go into the manufacture of airplanes. We own one aircraft factory that will be able to make all the planes needed in this country after the war is over. So the taxpayers are not going to destroy our private aircraft industry by operating that plant in order to give employment to people in that district.

We must let the Administrator dispose of these plants. If you leave it up to Congress to do it, you will have another Muscle Shoals. All of you will remember that the nitrate plant at Muscle Shoals stood idle for 15 years until it was taken over by the T. V. A. Fortunately, I do not have any war plants in my district. It is fortunate for our people, I think, because they will never have the terrible shock when war contracts are canceled that people in a lot of the districts will have. If Congress itself has the veto power over the sale of these war plants, then if one is sold in your district, your opponent who runs against you in the next election is going to accuse you of getting a cut out of it. If the plant stands idle, your opponent is going to say that some big industrialist paid you to see that the plant is not used. So the best thing for us to do is to give the Administrator the authority to sell all these war plants.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from California.

Mr. VOORHIS of California. On the gentleman's premise, as suggested by him, why did the committee include in the bill restrictions as to two kinds of plants—synthetic and aluminum? If the provisions included in the bill in regard to the synthetic and aluminum plants are valid, important, and desirable, why would not those same provisions be equally desirable with regard to some other thing?

Mr. MANASCO. Personally I opposed the inclusion of section 13 in the bill, but the committee saw fit to keep it in there for this reason, and I think I can state the reason. Synthetic rubber is a new industry in our country. It is not a local industry, or an industry affected by purely local conditions. It will affect even our international relations.

Some of our friends appeared before the committee. I believe the gentleman from California [Mr. VOORHIS] appeared before the committee and objected to these plants being turned over to monopolies. We all know that up to the time of the war the aluminum industry was almost a monopoly. It was the desire that Congress express itself.

Mr. VOORHIS of California. May I say to the gentleman I agree with what the committee did in that case, but I maintain that they should have put chemicals in there, they should have put

petroleum products in there, and they should have included steel.

Mr. MANASCO. And aircraft factories and magnesium plants. If you are going to put one in, you have to put them all in and when the war is over you would not be able to get the Congress to dispose of any of them. You would have a very embarrassing situation in this country.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understand this bill correctly, the administrator first makes a report to Congress with respect to synthetic plants and aluminum plants?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. And after having made that report and after Congress acts on the report, then he may dispose of those particular types of property?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. And not before?

Mr. MANASCO. That is correct.

Mr. CRAWFORD. I think the committee was very wise in making that provision. The objection I had to the bill that came before our committee, the Banking and Currency Committee, and I do not believe that has been mentioned here, was that the bill provided that the administrator might dispose of all these plants. I raised a question on synthetic rubber and stated I would not go along with the bill if the administrator was given absolute carte blanche authority to dispose of the great synthetic industry in this country, which is as wide as our international relations. I congratulate the committee on making at least that restriction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, may I say in reply to the gentleman from Michigan that I do not think you will ever find a buyer for the present synthetic rubber plants because the American people are not going to buy \$22 tires and get a low mileage at only 35 miles an hour when they can buy good raw rubber tires for \$14, run 80 miles an hour on them, and get a very high mileage.

Mr. CRAWFORD. I do not assume the gentleman means for the RECORD to show that that is the history of synthetic rubber tires?

Mr. MANASCO. It is almost the history.

Mr. CRAWFORD. I happen to be connected with a company that has used hundreds of tons of rubber on wheels, if you please. The synthetic rubber tires are giving first-class service.

Mr. MANASCO. I have not had that experience. Mine may have been a little sad.

Mr. DINGELL. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. DINGELL. I think it goes without saying that in certain fields and for certain purposes synthetic rubber is superior to the natural rubber.



Mr. CRAWFORD. Yes; and we know up in Michigan what happens.

Mr. DINGELL. Yes; we know, too, that synthetic rubber will survive for certain purposes regardless of cost.

Mr. CRAWFORD. I think so.

Mr. MANASCO. Mr. Chairman, a question was asked as to why the Colmer bill was stricken and the substitute offered. I may answer that by saying that the committee made a few amendments that were suggested by the legislative counsel and by Mr. Clayton and his counsel which clarified and made the bill more mechanically perfect. We did not want to come in on the floor of the House with a bill having a few "and's" and "the's" all through it in italics, so, we thought we would rewrite it and prevent the committee becoming confused when the Members read the whole bill. There is no major change in policy from the bill recommended by Mr. Clayton and the bill introduced by the gentleman from Mississippi [Mr. COLMER]. This bill has been agreed to by the operating agencies and the departments.

I have taken more time from other members of the committee than I intended to.

Mr. LANHAM. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Texas.

Mr. LANHAM. May I make a statement which the distinguished gentleman from Alabama perhaps is too modest to make. In addition to the gentleman's service on this particular committee, he has rendered an outstanding service as chairman of a subcommittee of the Committee on Public Buildings and Grounds investigating this matter of the disposition of surplus property. I want to commend the gentleman for the industry and the intelligence that he has shown in connection with his study of this question.

Mr. MANASCO. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I greatly regret that those who want to speak on this bill on this side do not seem to be available at the moment, but I cannot let this side remain unrepresented. We cannot let you take all the time over there. I made a few remarks on the rule but only general remarks relating to the advisability and necessity for the bill. It is supposed to be limited to 3 years. My experience with these bureaus is that the nearest thing to immortality is a Government bureau. Yet, we are setting up another new one. As a matter of fact, it is already set up by Executive order. This is really the Clayton bill. He wrote it or practically wrote it with the agreement and approval of other departments. Of course, the various departments could hardly be expected to express disagreement.

There is not as much opposition expressed in these hearings as you might think there would be. There will be some amendments offered. I once heard it said "some love the meat; some love

to pick the bone." There will be a few bones here for you to pick. There are some who must awaken themselves to the fact that it must be amended to take care of certain conditions that exist in their particular localities. I note the gentleman from Mississippi [Mr. WHITTINGTON] has a pleasing smile of amusement or approval. There is to be disposal of large plants and the disposal of much land for agricultural purposes. I have been in the real-estate business for many years. Much of this work will have to do with the disposal of lands and property and the giving of proper title. We attempt by this bill not to pass a law but to express a warning that they shall be fair about disposal of this property and that the former owner shall have first chance to get it back. That bothers me a bit.

Has not the Government paid the former owner a just price for what it has taken? The Government is supposed to do that. Shall a former owner have any more of a vested right in getting back something that he has been paid for than you or I? More than that, has he the right under this language that we have here to contest the title to the property if disposed of not exactly as suggested in the bill? As I said in the committee this morning, I have lying on my desk a notice whereby certain property has been taken. I did not know I owned any land there. Shall I afterward put in a claim on a piece of land I did not know about particularly, but being a former owner shall I have the privilege of putting in a claim and holding up the sale of the tract?

We really say here that the administrator as far as he can shall be prejudiced in favor of restoring the property to the former owner. Certainly he should have that right if the former owner has not reestablished himself and conditions are such that it could reasonably be restored to him and the Government properly reimbursed.

There is a great deal of land involved in various sections of the country. They have taken much of it by lease; they have taken much of it by eminent domain and much of the land is now unfit for that for which it was formerly used. I want to warn you that when we reach that point in the bill that we will have some discussion as to returning this agricultural land as well as some other land.

The bill requires that they shall make a report to Congress every 3 months or 6 months and tell you why and how they disposed of real estate. They can lease these large plants for 5 years. What advantage is that man going to have? Shall we fix it so that the wartime plants shall be made permanent at the expense of other permanent establishments of business?

Looking over the bill, as I stated before, it is not so difficult. This will no longer be an executive agency. It should be called the Clayton bill, enacted into law, approved by Congress. The objectives are easily understood: To facilitate and regulate the orderly disposal of surplus goods. Like the Atlantic Charter, it means well.

It says here "such property for the purposes of war and national defense." Of course, that is right. Next it says, "to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment."

Will it do it? We hope so. Continuing it says, "to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country." Does that sound all right to you? Really it sounds all right to me. That is what we want to do. But there is a question as to just how to do it when you read the bill. Then it says, "to avoid dislocations of the domestic economy and of international economic relations." You see, we have an international problem here. How are we to dispose of that property over there? There will be quantities of it. It says here that surplus property at home and elsewhere shall be disposed of under rules and regulations. Will Lend-Lease or the Foreign Economic Division take it over?

We do not want it sold for practically nothing and have it reshipped here and sold in competition with our goods. We do not want that. We want to sell it to them over there at a fair price. I do not know, but does the O. P. A. have anything to do with what they sell things for over there? Over here, you know, we have to dispose of it at a price that the O. P. A. feels we have to get. The O. P. A. is to come into the picture, but probably not over there in the foreign country. These nations have no money with which to pay for it. Shall we leave all those ammunition shells that cost \$600 each and all other munitions over there or shall we bring it back to this country? Is it junk? It has the potential value of defense, and over there it may have a greater potential value than it has over here. But some advocate that it must not be reshipped back here.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Ohio.

Mr. BREHM. I was just thinking, if we leave the shells and the ammunition over there now it would simply save transporting it back the next time they ask us to come over there to fight another war for them.

Mr. GIFFORD. That is a comforting suggestion. There is little doubt but that they will be our allies again. But when you ask me a question as to the results of this bill, you know it is very broad in its grants of authority. The administrator is to be practically a dictator. This bill contains but little law. It is a statement of policies that we hope will be followed. The administrator might go on a vacation and his deputies delegated with his powers. In a sense we are really setting up here a dictator, and it may be preferable to a so-called board. The more corrupt the state, the more laws we need. Did not things happen after the last war that were corrupt? We are hoping that this bill will point the way to avoid a repetition.



No matter how carefully we frame these statements of policies, or even actual cases, I want this to sink in. "No written law or statement can be so plain but which ill will and malice may obscure." If disposal is not always made along the lines of this bill, some reason can always be presented why it was not done. Some of us will be importuned by our people to see to it that the administrator does not do things that he clearly should have done, because it may be inimical to the interest of our own particular section. You will have some amendments presented along that line, and I hope you will see what I have in mind.

My predecessor who just took his seat said something about fifteen million. Did the gentleman not mean fifteen billion? The gentleman said fifteen million several times.

Mr. MANASCO. Fifteen million? I meant fifteen billion.

Mr. GIFFORD. Yes. But nobody corrected him. What is the matter with this House today? Are you taking everything without questioning it? I have read that we will have \$103,000,000 of surplus goods. I do not know what the gentleman means by that fifteen billion. Does that mean 15,000,000,000 of peanuts or things of that nature?

We will have enormous quantities of war munitions which will be of no good unless for war purposes. It is not even good for scrap, because it is not worth making scrap of it. Shall we throw it overboard? This bill says that we shall dispose of it. But if we find it is not worth while what can they do? It says here they can give it away. They can destroy it or otherwise. I do not know what that "otherwise" means. It says here that we shall dispose of it, that which we cannot find a market for, to charitable and educational institutions. Your charitable and educational institutions will importune you often that you will see to it that that college or school gets that material that will not sell readily. You are to be importuned about many things, because this bill says that the State and the municipal organizations as well as educational and charitable institutions shall be considered. Already there is surplus property worth quite a lot of money. Your city might want it for rehabilitation or recreational centers. If the Government has no use for it, the city will want it. The State or the county or the town will demand that they shall pay nothing or have a very favorably rate. If you do not recall this custom, read the private bills that have been presented on such matters.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. HOLIFIELD. May I ask the gentleman for information? I note on page 29 this language. Section (1) of subsection (b) "any property which is damaged or worn beyond economical repair"; and "(2) any waste, salvage, scrap, or other similar items."

May I ask how that question will be decided? Is that completely within the jurisdiction of the administrator or

some of his assistants? The reason I ask that question is that the disposal of this great amount of machine tools that we read about some time ago has a scrap value, although the machine tools were in perfect shape. Is there any provision in this bill for the protection of the Government on the disposal of materials which might be described as scrap but which might be good?

Mr. GIFFORD. The gentleman will note that in subsection (b) it states that any owning agency may dispose of any property which is damaged or worn beyond economical repair, subject to subsection (c), which reads:

Whenever he deems such action necessary to effectuate the objectives and policies of this act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. STEFAN. I think the gentleman's question may be answered by referring to page 25, item (g), which provides that—

The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

I wanted to call that to the attention of the gentleman from California.

In the gentleman's brief discussion of the rule he mentioned something about how this will affect our constituents. What did he mean by that?

Mr. GIFFORD. I meant that there may have been an enormous plant put in the gentleman's community because nearby was the raw material, and they have brought a lot of people from various parts of the country, housing them in temporary housing.

Mr. STEFAN. I have such a case in my district.

Mr. GIFFORD. Almost everyone of us has such cases. How can you write into the law any definition covering that?

Mr. STEFAN. How would this bill affect your constituents? Is there any protection to your constituency or your locality in the bill, as the gentleman reads it?

Mr. GIFFORD. Yes; it provides that the Administrator shall use good judgment.

Mr. STEFAN. We have a war plant in my district. We also have a satellite airport. The satellite airport has been abandoned. They are now leasing the land for the production of food, but the airport will not be used.

Mr. GIFFORD. Can they not see to it that the former owners get it back and make it profitable, or do not the former owners want it?

Mr. STEFAN. Yes; the former owners would like to have it, of course. In many cases the former owners have told me that they would be willing to buy that land back.

Mr. GIFFORD. In this bill about the best thing they can do is to put in language stating purposes and desires, but they leave it to a dictator or administrator with full, complete power.

Mr. STEFAN. It is absolutely necessary to put something in here that the people can understand. We are disposing of surplus property in this country right now. People are suspicious that perhaps that will get into the hands of a favored few.

Mr. GIFFORD. Does the gentleman realize that we are putting everything into the hands of the administrator, although there is one clause in the bill that the Maritime Commission shall retain control of maritime property? We cannot do anything about that. There is also a hint at a limitation of power on the part of the administrator here and there, and there is to be an advisory board. There will be a lot of back scratching between agencies, will there not?

Mr. STEFAN. That is right, but the serious problem right now is that the Treasury Procurement Division is disposing of considerable surplus material now, and the people in my district—and I have just come back from my district—are very suspicious that perhaps some favored few are getting this surplus material. They are looking to Congress to do something to see to it that it does not get into the hands of the monopolies or the favored few. I think something ought to be done, and I agree with the gentleman that we ought to write something into this bill to take care of that.

Mr. GIFFORD. There should be no room for favoritism in our form of government, but if you get something for constituents of yours, they will claim that you received special favors.

Mr. STEFAN. In the gentleman's speech this morning he indicated that this law might create thieves and robbers. What did the gentleman mean by that?

Mr. GIFFORD. I meant that in order to get around laws they might be considered thieves and robbers. The more laws you make the more rascals you make. Naturally some will not obey. The more laws, the more to be circumvented. I find a great feeling growing in this Nation of ours that this is a Government of the people, by the people, and for the people, and if what you do and what I do does not please, the people hesitate to comply.

Mr. STEFAN. Our people at home are suspicious; they are worried about this thing. They want us to write some laws here to see that this property does not get into the hands of the robbers and thieves. Certainly we are intelligent enough to do that.

Mr. GIFFORD. I want a law under which an aggrieved party can complain and receive justice and relief. I do not want a bureau set up giving the administrator absolute power with no redress for the aggrieved party. There is that eternal enmity between the law and the dictator. This is a warning, not a criticism. This bill is not much law; it is expressing a hope that certain policies be



carried out. There are some directions in it.

Mr. STEFAN. Would the gentleman rather have a board than an administrator?

Mr. GIFFORD. Who appoints the board? Think of what we have had in the last 10 years. I hate to criticize, for the Democrats are my friends, but why did you put in so many men of the type you did to run this country? Why did you do it?

You new Members may not remember, but from 1934 to 1938 I was busy on the floor as a member of the Expenditures Committee. I know how suspiciously you looked at me, but I could name several administrators that I think you would agree with me were rather unfit to be the head of several highly important agencies. You are sorry about it but you do not do anything to change it. We are soon to do something to change that, I hope. Then I will answer the question.

Do I like a board? Yes; if they limit it to good and able men. Under this bill there will probably be at least 12 regional agencies set up over the country, such as we have representing other bureaus. You go tell your story to these agencies, but they can do nothing until they hear from Washington. There will be a tremendous number of appointments, a man for this and that special thing but with little power to act without approval from Washington. My people look me in the eye and say, "You have to see the right people," when I failed in getting attention. One constituent said to me, "Must I appeal to Washington to an old-line Democrat? Cannot you do anything?" It is not as bad as that. I am saying that is the way he looked at it. I am not complaining. I have been more or less successful, because even though I talk forcibly at times, I really try to be a gentleman. I think over my approach to these agencies very carefully.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. CURTIS. Is it possible under this bill for the administrator to establish a Government store in every community in the United States to sell food, clothing, hardware, jeeps, and everything else, in competition with taxpayers who are in that business?

Mr. GIFFORD. I should not think so, but it might amount to that. We are trying in this bill to put this property in the hands of the regular dealers at a fair price.

Mr. CURTIS. Should there not be a provision in this bill forbidding them to establish retail stores?

Mr. GIFFORD. The gentleman will find in the hearings that they asked the question, Who is a dealer? Take the case of a man who would buy a jeep, and although he had made a trade-in only once during his life, during the last few years, he might be considered a dealer?

Mr. CURTIS. How do you know that the individuals answering the questions are going to be the individuals making the over-all policy?

Mr. GIFFORD. We have to run that risk.

Mr. CURTIS. Why can there not be a provision in here prohibiting the establishment of Government retail stores to sell surplus property?

Mr. GIFFORD. If we did that, as the gentleman from Mississippi [Mr. WHITTINGTON] will tell you, there would be no end of the definitions, because it is such an enormous problem. The only way you can possibly do it is to outline general suggestions and general conditions, but you cannot define it too closely on any particular activity.

Mr. STEFAN. Mr. Chairman, will the gentleman yield to answer that question?

Mr. GIFFORD. I yield.

Mr. STEFAN. In section 2, item C, on page 24, you will find that the agency can dispose of one or more classes of surplus property. I believe under that section they can set up a retail store.

Mr. CURTIS. I think they could. I have read the bill. I think they could.

With reference to this advisory board to the administrator, who on that board represents the taxpayers?

Mr. GIFFORD. Who on that board represents the taxpayers?

Mr. CURTIS. Yes.

Mr. GIFFORD. "Represents the taxpayers?" Do I hear aright?

Mr. CURTIS. It seems to me they are all representatives of the Government.

Mr. GIFFORD. Yes. Yes; I really would not want to try to answer.

Mr. CURTIS. Is there anybody on that board who represents the retail and wholesale trades?

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I yield myself 5 additional minutes.

Why, these are all agencies of the Government. But they are Cabinet officers and they can delegate authority, and name some one to act for them in all these cases. They will probably delegate it. They can do most anything under this bill. I started out to comment on the various provisions of the bill and you immediately stopped me by inquiring whether I wanted a board instead of one man. I tried to answer that by saying if I knew proper persons would be selected I would feel confident. It is bad enough to take a risk on one, but if we have to take a risk on seven or more, I am not ready to answer. I have commented on various provisions of the bill that are to be bones of contention later, hoping that I could draw your attention to them early in the debate.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Mr. DEWEY. In following out the inquiry of the gentleman from Nebraska, [Mr. CURTIS], there seems to be a little hiatus or loophole or whatever one might call it, between the regulation of the Administrator preventing him to deal with the individual and what departments of Government who claim certain articles belong to them may do. Because on

page 29, section 7, there is found this language:

subject only to the regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency.

And so on.

Mr. GIFFORD. It says "for the purpose of war production." The gentleman will note that.

Mr. DEWEY. But the section reads further:

Subsection (b). Subject to subsection (c) of this section any owning agency may dispose of (1) any property which is damaged or worn beyond economical repair; (2) any waste, salvage, scrap, or other similar item.

It has been called to my attention that one agency, I think it is the Quartermaster General's office, is selling Army shoes for 14 cents a pair which have been slightly worn, not worn where they might have, for example, a large hole through them, but worn because they did not fit the soldier to whom they were issued, so he discarded them and got a better-fitting pair of shoes. That pair of shoes thus has become used property and is sold for 14 cents, and they might go into these outlet stores such as the gentleman referred to. I do think there ought to be inserted here some item preventing outlet stores that are going to come into competition with men trying to make new shoes and make new jobs.

Mr. GIFFORD. We have already taken that up and it says in subsection (c), if the gentleman will read further, if that kind of business goes on the administrator can restrict them.

Mr. DEWEY. They can be restricted under the bill?

Mr. GIFFORD. I have seen awful waste, and so has the gentleman. There is so much red tape in keeping books and keeping track of things, that when an outfit in the Army leaves suddenly, what happens? Yes, they burn it, they dispose of it in many ways rather than trouble to account for it otherwise. This bill is not new to me. This plan is not new to me. We have had it before, almost a year ago, where the Bureau of the Budget wanted to control this surplus property through the procurement agencies. At that time we had much discussion of it, but the plants and the lands and that sort of thing were too big a problem of solution at that time. We decided to deal only with surplus supplies.

Mr. CURTIS. One more question, following the line of thought of the gentleman from Illinois, and to be specific, who, for instance, does the gentleman suppose will sell surplus shoes belonging to the United States Government? Will the Government retail them or will the retail shoe dealers of the United States retail them?

Mr. GIFFORD. We have said here that they shall sell to the dealers that are in the business at a fair price. But if they sell to those dealers, the dealers will not have to order new goods, will they? Will that add to unemployment?

Mr. CURTIS. But a Government agency already owning these shoes can go ahead and sell them under the old



rules without turning them over to a disposing agency. Is that not right?

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. GIFFORD. Mr. Chairman, I might take more time if it were available. There is a good deal more to be said, but I must keep this in mind, "It is an immense advantage never to have said anything."

Mr. MANASCO. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. Gossett].

Mr. GOSSETT. Mr. Chairman, it is doubtful that I will use the entire 30 minutes, but there are just one or two phases of this bill to which I wish to direct the attention of the committee. My distinguished colleague who preceded me raised the issue in the beginning of his remarks of the provisions of this bill as to the disposal of surplus agricultural lands. Since that has been the phase of the bill in which I have been most interested and to which I have given most attention, I want to discuss it briefly. In the course of writing this bill, the committee upon my insistence wrote into the mandatory provisions of the bill subsection (g) of section 15 on page 39, this amendment:

In disposing of surplus agricultural lands in the United States, former owners shall be given a reasonable time to be fixed by the administrator in which to repurchase their original tracts, at a price not exceeding that paid them by the Government, except where the value of such tract has been increased by the Government. Except for above provisions, such land shall be sold when practicable, in family-size parcels, not more than one such parcel being sold to any one family or individual, and such sale being made insofar as possible to persons who expect to live upon and cultivate such land. This subsection shall apply only to land acquired after July 1, 1940.

That provision was written in without collaboration with the various agencies of the Government and without the advice and consent of the general counsel to the administrator in charge of surplus properties, and is opposed by most of the executive departments. Upon reconsideration of this amendment which I favor, personally, in the interest of harmony and in an abundance of precaution and in order not to impose upon the surplus property administrator an impossible administrative job, the committee has redrawn that particular amendment and when the bill is being read for amendment we will offer, in lieu of this subsection (g), above read, the following amendment; and we are going to suggest that the amendment be placed not in the mandatory provisions of the bill, but in section 11, which is a declaration of policy and purposes, which will not in such event, embarrass or impose upon the administrator any impossible job.

The amendment is as follows:

On page 34, line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired after June 30, 1940, by the United States, which the administrator deems suitable for agricultural use:

"(1) By affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to

reacquire such land at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) If not disposed of as provided in paragraph (1), and if the administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit."

Now, briefly what we are concerned with primarily is these Army camps that went into farming communities and dispossessed hundreds of farmers—if and when the Government has finished with such camps and this land is placed on the market, it ought to be returned to family-size farms such as were on those particular tracts at the time the Government acquired them.

In the second place we are very much concerned that this land be kept out of the hands of speculators. In fact, in this whole matter of disposition of surplus war property, we are all concerned that nobody should make any unusual or excessive profits out of the handling of these properties, and that principle and policy is so stated in the bill.

There are between five and seven million acres of agricultural lands that have been taken over by the Government, incident to the war program. These particular camps have tremendous economic importance in the communities in which they are situated. If some provision for the orderly disposition of these lands is not followed, then land speculators will come along and buy up entire tracts, to the detriment of all concerned except the speculator.

There was some argument in the committee, and the question may be raised in this debate, whether or not the former owner ought to have the right to reacquire this land at a price not exceeding that paid to him. I want to call the attention of the House to the fact that in 99 cases out of 100 these farmers whose lands were taken for Army camps did not want to sell. Many of them made voluntary conveyance because they felt it was their patriotic duty to do so. Others, because they knew the land would be acquired by condemnation. But from one form of compulsion or another, they gave up their land and they went to the city or to some defense plant and got a job.

To make this a little clearer, in one county in my district, some 60,000 acres of the best farm land in the county was taken over for an Army camp. Hundreds of farmers were dispossessed. Some of them got more than the land was worth, others less. Some of them have been satisfied with the price they received, but many of them felt they were cheated. They felt the land was worth a great deal more than the Government paid for it. Some of them refused to sell, and many of those cases are still in court. I say that this owner of agricultural land whose property was taken through one form of compulsion or another, ought to have a reasonable time, 30 days, 60 days,

90 days, or 6 months or some other period, but some reasonable time within which he can reacquire that property at a price not exceeding that paid him by the Government.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. VORYS of Ohio. Suppose oil has been found on this land as was mentioned in connection with the one particular case, what would the provision of the bill be in that instance?

Mr. GOSSETT. Let me call attention to section 11, in which we propose to incorporate this new amendment—the amendment in the policies section. Section 11 is the section of the bill which reads:

In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect as to the following policies to the extent feasible, and in the public interest.

I am not sure what the administrator's attitude would be in that matter, but here is my attitude: I say that if anybody is going to make any money, speculative or otherwise, out of this land that has been forcibly taken away from the owner, it ought to be the owner. I feel that the owner ought to be given a reasonable time within which to reacquire that property, at a price not exceeding that paid him by the Government, regardless of how many oil fields may have been discovered in the meantime. Somebody is going to make some unearned increment, we will say, from the oil value of this land. Who is more entitled to that than the original owner? In nine cases out of ten the original owner wanted to keep the mineral rights under these lands. The particular camp I have in mind is in oil country. There are wells on all sides of it. These men wanted to retain the mineral rights but the Government would not agree to it. Meantime, the property may have increased substantially in value because of the possibilities of the discovery of oil. If the owner does not get that increased benefit, then somebody else will get it. Why should the Government be penurious, why should the Government deal harshly with a citizen whose property it has acquired?

There will be some isolated cases such as this field you have in mind, where some exorbitant profits will inure to the man whose property was taken. But, he would have been in possession of that land but for the Government coming in and taking over the land. So I say the Government ought to let him take it back at a price not exceeding that which they paid him.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. LEMKE. I understand you have transferred this section from mandatory to a simple question of policy. With the experience we have had with so many of the Government agencies, does not the gentleman think that will be just lip service to fool the public? Why can it not be mandatory?



Mr. GOSSETT. I preferred the mandatory provision and so contended, but in the interest of harmony and trying to get something worked out that we could pass through the Congress, I agreed to go along on the statement of policy.

Mr. LEMKE. May I suggest, are you not taking a great chance of simply having words enacted and wasting our time and not gaining anything in the end?

Mr. GOSSETT. No. I hardly think so. I intend to see that that policy is enforced in my district if it is written into this bill, and I assume other gentlemen will do likewise.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. ALLEN of Louisiana. On the question of policy, on page 34, paragraph I, the bill reads:

To prevent insofar as possible unusual and excessive profits being made out of surplus property.

What do you have in the bill to put teeth into that? You are simply writing a beautiful platitude there, but what is there in the bill to nail that down so that there will not be any excessive profits made?

Mr. GOSSETT. I might say that I personally offered that amendment to that subsection, knowing at the time that it was merely a statement of principle and high purpose and if you can figure out some way to nail it down I will go along with you. I thought this statement of principle and policy against profiteering was better than no such statement and would be helpful as a sort of mandate to the administrator.

Mr. ALLEN of Louisiana. Could we not say that no person shall make beyond a certain percentage?

Mr. GOSSETT. That might work in one class of property and would not work on another. Some property might be very speculative. You try to work that out, and if you can I will be glad to help write it into this bill.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. HARRIS of Arkansas. Speaking to the question propounded by the gentleman from Ohio [Mr. VORYS] with reference to the probable development of oil property in isolated cases like the one in Oklahoma, would not the Administrator have authority and jurisdiction to control such matter in that it might not be feasible, perhaps?

We remember very well the fact that part of the former owners of this property really never owned it or had not lived on it or had not shown any interest in it until the oil property was developed. In cases like that would not the Administrator have authority and jurisdiction to handle it and adjust it by regulation?

Mr. GOSSETT. I think he would, under these proposed regulations.

Mr. HARRIS of Arkansas. One other point. With reference to the disposition of agricultural real estate, giving the former owners first opportunity to reacquire the property, I want to commend the gentleman from Texas and the committee for the fine work they

have done in this bill, particularly in giving former owners the authority to reacquire this property. The gentleman indicated there would be a proviso in the amendment that he will propose, that the disposition should be made only of family-size parcels of land.

Mr. GOSSETT. Let me clear the gentleman up on that. That does not apply to the acquisition by former owners. The provision as to former owners is covered in paragraph 1. The disposition of family-size parcels is in paragraph 2. The family-sized parcel provision applies only to disposition of land to others aside from former owners. If you are a former owner and you sold 2,000 acres to the Government, you get that 2,000 acres back. It makes no difference the size of the tract taken from you or sold by you as an original owner, you get that back if you want it. But if you decline the option extended to you to reacquire that land then, insofar as possible, insofar as economic and desirable, the administrator may and if it is practicable shall divide that up into family-sized farming units.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield further?

Mr. GOSSETT. I yield.

Mr. HARRIS of Arkansas. I have advocated such policy for some time. To be a little more specific, I have in my native county, in my district, Hempstead County, through which the gentleman travels when he goes back to Texas, the Southwestern Ordinance Project of some 54,000 acres. When that land was taken over by the Government there were families who owned as high as 4,000 or 5,000 acres. The land was taken by condemnation. Would the former owners under this bill have authority within a certain time to reacquire the entire 4,000 or 5,000 acres taken?

Mr. GOSSETT. Yes; absolutely. That is, provided, of course, it is agricultural land.

Mr. HARRIS of Arkansas. Yes; it is agricultural land of which I am speaking. One further question, if the gentleman will permit.

Mr. GOSSETT. Certainly.

Mr. HARRIS of Arkansas. With reference to the disposal of real estate whereon there may be airports. What is the idea or the thinking of the committee in writing the bill with respect to the disposition of airports and their facilities when and if they are declared surplus property?

Mr. GOSSETT. That is covered by the general provisions of the bill and the directives and recommendations imposed upon the administrator in the disposal of property generally.

Mr. HARRIS of Arkansas. Will the municipalities in those localities have the opportunity to acquire them?

Mr. GOSSETT. If I were the administrator that would certainly be the policy, and I assume it will be the policy of whoever administers this law.

Mr. HARRIS of Arkansas. Could the gentleman advise the House whether or not there was any discussion of payment on disposition of airport facilities and real estate which had been constructed?

Mr. GOSSETT. I notice that at some of the committee meetings they had discussed that but at the committee hearings I attended we did not discuss it specifically.

Mr. MANASCO. Mr. Chairman, will the gentleman yield at that point?

Mr. GOSSETT. I yield to the gentleman from Alabama.

Mr. MANASCO. I may state to the gentleman from Arkansas that considerable discussion was given to that subject and in the bill we left the disposal of airports specifically to the administrator because he had at the service of his advisory board the Civil Aeronautics Authority. The C. A. A. is making surveys to determine which airports will have military use and which of those not having military use may be used by municipalities. Under the recommendation of State aviation commissions and the Civil Aeronautics Authority they can be sold to the municipalities or leased to them. They will not of course be sold for a very high figure.

Mr. HARRIS of Arkansas. If the gentleman from Texas will yield, that is just the point to which I wish to direct the question: Would it be possible for the municipalities perhaps under the jurisdiction of the C. A. A. to purchase that property?

Mr. MANASCO. They could lease it or purchase it.

Mr. HARRIS of Arkansas. For instance, if there is a \$1,000,000 airport at some small city of ten, twelve, or fifteen thousand population it would not be practical or at least it would be almost impossible for a city of that size to purchase an airport of that type.

Mr. MANASCO. Mr. Chairman, will the gentleman from Texas yield?

Mr. GOSSETT. I yield.

Mr. MANASCO. I may say that we discussed that very matter with Mr. Clayton, the present surplus property administrator. He told us it would be their policy to dispose of them for reasonable value to these municipalities. That question has already been decided by his organization. For instance, a million-dollar airport at a town of that size might possibly be leased to the municipality for \$500 a year; but we would not want to find ourselves, if we got into another war, where the city of Eldorado or the city of Jasper could come in and sell back to the Government for a million dollars property they got on a \$500 lease or some small amount. We want that recapture provision in the bill.

Mr. GOSSETT. I may say to the gentleman from Arkansas I have every confidence that that problem will be worked out administratively to the entire satisfaction of the local communities. In many instances these airports were built by the C. A. A. under an arrangement and understanding that they should revert to the municipality at the time the Army or the Navy, as the case might be, finished with them.

Mr. HARRIS of Arkansas. Mr. Chairman, if the gentleman will yield, to be a little more specific—and I am sure there are other projects throughout the Nation in a similar category as this one



where the Government has 54,000 acres of agricultural property—there has been constructed there by the Army an airport costing about a million dollars. That is at Hope, Ark. Before that time the city had spent some \$15,000 or \$18,000 in the acquisition of property for the construction of an airport. When the Army completed its airport they condemned the property the city had acquired for the city's airport. The city cannot therefore construct an airport on property they acquired for that purpose. Is there authority under this bill for the War Department or the disposing agency through the administrator to permit the use of this airport by the municipality of the city of Hope?

Mr. GOSSETT. I would think so; my answer to that would be "Yes."

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. From a reading of that section of the bill which states the policies of the framers of the bill, and also of the House if it passes the bill, I am wondering if it is sufficiently specific with regard to a policy which would prevent the purchase of goods at a cheap price and dumping them on the market? Among other policies it is stated that one policy is to prevent the making of excessive profits. I am, of course, concerned about that, but I am more concerned about the fact that if these goods are dumped on the market at a very low price it will prevent the manufacturer of goods which will be in competition with them to manufacture such goods at a profit, and hence would prevent the re-employment in industrial sections of returning soldiers and other people who need employment. I am wondering if it would not be a good idea—I believe it was stated by one of the other speakers this afternoon—to include as one of the policies to be pursued the discouragement of the dumping of goods in the market in competition with industry in post-war times.

Mr. GOSSETT. I believe the gentleman will find that in the bill.

Mr. WRIGHT. I do not know where it is. I would appreciate it if the gentleman would point it out to me.

Mr. GOSSETT. I know it was repeatedly discussed in the committee, and the committee was assured by the Surplus Property Administrator that he would take precautions to avoid the very thing the gentleman fears.

Mr. WRIGHT. If I may interrupt the gentleman further, I know it is in the bill at various points by implication, but I believe the matter is so important that Congress ought not to be neglectful of its duties, as it would be if it did not specifically state it was very much concerned about disturbing our post-war industry by dumping cheaply purchased goods on the market to compete with post-war industry.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. As the gentleman from Texas has very correctly said,

that matter is covered both by the objectives and by the declaration of policies. For instance, in the objectives, if that situation were permitted to obtain the administrator would be violating the provisions of this law in a way that would disrupt the economy of the country. In a further effort to prevent it, in the objectives we not only adopted the language in the bill which was originally submitted to us to provide for employment, but we put in an additional provision to give employment; and in the disposition of the property we hedged it further by saying that undue profits should be prohibited and that small business should be promoted. But when it came to writing a formula that would be applicable to every species of property imaginable through the entire civilian economy, after listening to many suggestions, and to every proposal submitted, the committee concluded that the wise thing to do would be to adopt the broader discretionary language that is included in the bill.

Mr. GOSSETT. I call the gentleman's attention to paragraph (c) under the heading "Objectives," on page 23, at the very beginning of the bill, reading as follows:

To promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country.

Then I call his attention to page 33, subsection (e).

It says:

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection.

Mr. WRIGHT. May I thank the gentleman, and I appreciate the explanation made by him and also by the gentleman from Mississippi. Of course, I agree with the gentleman that the evil against which I am talking would be against the purposes of the bill. I feel that it could be made a little bit more specific, but even if the bill is adopted in its present form, the discussion we have had will show the world the general purposes and the policies of the committee in drafting the bill. I thank the gentleman.

Mr. GOSSETT. I appreciate the gentleman's remarks.

Mr. HOLIFIELD. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to comment on that subsection (e) on page 33. It seems to me that it might be more specific. I am thinking of the disposal of quantities of all types of canned

goods and even farm and automotive machinery. If those surplus properties are disposed of in large lots, while it might be considered that they are offered on equal terms with large competitors, the very fact they are in large lots would prohibit the individual from buying a tractor, we will say, where they might be sold in lots of 10. The general language I know intends to circumvent that. Would it not be possible to write into it some language that would provide that where prices were set on large lots of material or equipment, priority shall be given individual purchasers on the unit price until they had exhausted their needs on a unit basis?

Mr. GOSSETT. I may point out to the gentleman in subsection (e) it is stated:

To utilize commercial channels of distribution to the extent consistent with efficient and economic distribution.

I may say that I am concerned about that myself because I know the farmers want all the available trucks and tractors and they need them badly. I am not giving the gentleman this as my view. The surplus administrator contends that if you permitted the individual farmers to go to the Procurement Division of the Treasury and buy a tractor or a truck, it would put the Government in the retail business in competition with private enterprise and it would impose upon them an impossible administrative task. He assures us that the small dealers will be given the right to buy in small lots, possibly one or two at a time, if they so wish, and that if a group of trucks is to be disposed of in your State or area, all the dealers in your State or area will be given notice. If they want the larger quantity broken down into smaller quantities that will be done to accommodate them. When you get to trying to figure out a fair rule to cover all situations you cannot write it into a bill. You have to write general policies, and leave much to administrative discretion.

Mr. WHITTINGTON. In connection with that, may I call attention to section 10, subparagraph (c) which reads as follows:

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

Mr. CURTIS. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Nebraska.

Mr. CURTIS. The gentleman has spent a great deal of time on this bill. I have read the bill through myself and I would like to ask him this question: Suppose the bill becomes law substantially as it is printed now, and an individual makes inquiry that he wants to buy a jeep, for example. Can we with assurance tell him that the place to buy jeeps will be through the established automotive truck dealers and that he better get his order in there?

Mr. GOSSETT. No; I would not be willing to give the gentleman any advice on what he should tell his constituents. I have about 15 applications myself.



Mr. CURTIS. What would the gentleman tell his constituents?

Mr. GOSSETT. I would refer them at this time to the Procurement Division of the Treasury.

Mr. CURTIS. I mean under this bill. I want to know what the procedure is going to be under this law.

Mr. GOSSETT. I understand the policy is to handle those through existing trade channels and I would suggest he see his nearest automobile dealer.

Mr. CURTIS. That is the intent of the Congress, as far as this committee is concerned?

Mr. GOSSETT. I do not know.

Mr. CURTIS. The gentleman is a member of the committee.

Mr. GOSSETT. I am a member of the committee, yes; but I am not saying this bill expresses my own views on all of these problems.

Mr. CURTIS. But it is the intent of the committee that a system of that kind be followed?

Mr. GOSSETT. Yes; as expressed in this bill.

Mr. WHITTINGTON. The gentleman will understand that if you undertake to put some other regulations in here, it might operate in favor of the established agencies and might prevent the Government from getting the price that it ought to obtain; so that under all the necessities of the case you have to give the Administrator some discretion if he is going to effectuate the policies of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RIZLEY. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. The gentleman from Texas may have covered this particular matter I have in mind. I did not hear his full statement. In my district they have established two prison camps by which the War Department took the best agricultural land in the district in establishing those camps. One of these farms consists of about a section and a half of land that the farmer had been about 25 years modernizing and getting his farm where he wanted it. They came in, condemned the land and took it away from him. The Government has spent hundreds of thousands of dollars on those prison camps. Some of the buildings are of a permanent nature. Others, of course, are not of a permanent character.

First, will the farmer who they dispossessed of the land through court proceedings be given a preference and right to repurchase that land?

Mr. GOSSETT. He will if that land is held to be agricultural land. He might if it were held otherwise. I assume that the Administrator will work out some way to deal with all situations.

Mr. RIZLEY. Assuming it is held to be agricultural land, what adjustment will be made about all these various and sundry permanent buildings that they have put on the land constructed of concrete and otherwise? The farmer,

perhaps, could not go in and buy this land back at anything like the value it has now with all of these permanent improvements the Government has put on it.

Mr. GOSSETT. If it is declared to be surplus agricultural land, then those permanent improvements that might have been added will have to be appraised and added to the purchase price of the land.

Mr. RIZLEY. That is the point I am trying to make. As far as the land being in that category is concerned, there is no question about the land being agricultural. The land has never been used for anything else and cannot be used for anything else. The land is situated right out in the middle of the biggest wheat-producing section of the United States. But the Government has so enhanced the value of these properties that the farmers can never come in and purchase the land back again.

Mr. GOSSETT. The entire place is not covered with those buildings, is it?

Mr. RIZLEY. No. They might segregate part of it, of course.

Mr. GOSSETT. I assume that matter could be worked out administratively. Certainly your constituent is in a better position with the proposed language written in the bill than he would be if it were never written in the bill. This does not require the Government to put the land back in status quo.

Mr. PACE. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Georgia.

Mr. PACE. The surplus property administrator a few days ago issued regulations on the resale of surplus real estate, in which most of the items now being discussed are covered.

Mr. GOSSETT. Not surplus real estate. Surplus farm land.

Mr. PACE. That is right. Most of the items here discussed have been fully gone into in those regulations. It should be distinctly understood that the previous owner has a preference only when the terms are exactly even. If the gentleman from Oklahoma and I should make an identical bid, if he has been the previous owner he will get the preference.

Mr. GOSSETT. The gentleman is entirely in error.

Mr. PACE. That is the way the regulation reads.

Mr. GOSSETT. That is not the way this amendment is written into the bill.

Mr. PACE. I was wondering if the gentleman from Texas would not include in his extension of remarks today a copy of those regulations, in order that the House may clearly see what the attitude of the administrator is on this question as the regulations have already been drawn?

Mr. GOSSETT. The regulations, I might say to the gentleman from Georgia, are reproduced in the hearings.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield at that point?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman, I think, is stating the matter correctly with reference to the regulations, but the

gentleman from Texas has pointed out that the proposed amendments to this bill as reported would change those regulations.

Mr. PACE. In what respect?

Mr. WHITTINGTON. In giving the owner the entire right to acquire the property, at not to exceed the price the Government paid for it.

Mr. GOSSETT. At a price not exceeding that paid by the Government.

Mr. PACE. Is that in this bill?

Mr. GOSSETT. That is in the bill.

Mr. PACE. Where is the language?

Mr. GOSSETT. It is in the amendment I explained to the House will be offered.

Mr. PACE. It is not in the bill, then?

Mr. GOSSETT. Yes; it is in the bill. In subsection (g) of section 15, on page 39, we have written it into the mandatory provisions of the bill; but, as a matter of compromise, have agreed to write it into the policy section of the bill rather than the mandatory section of the bill.

Mr. PACE. Exactly what does the committee mean when setting up the policy of the Congress and it declares two things? One of the policies and purposes of this legislation as declared in the opening page is to promote the agricultural resources of the country. What are you talking about there?

Mr. GOSSETT. I did not write that language and was not present when the bill was drawn. The gentleman's idea of what that means is probably just as good as mine.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PACE. On page 33 you declare further the policy is to afford the veterans an opportunity to establish themselves as proprietors of agricultural enterprises. What are you talking about there?

Mr. GOSSETT. May I say that I did not draw this bill and I did not write that language, but I can give my idea of what it means. If the former owner—

Mr. PACE. No; this is the veteran now.

Mr. GOSSETT. If the former owner of this tract of land does not want it or refuses to accept it, then the next man in line of priority is the veteran, if he wants to buy this farm, and it would be the duty of the administrator to facilitate the veteran's purchase of the farm. As I understand the work in that office, they are formulating some regulation under which that would be possible.

Mr. PACE. You confine that to the farm. How about the tractor, the jeep, and the truck?

Mr. GOSSETT. The veteran should be given preference there.

Mr. PACE. Then it is purely a matter of preference?

Mr. GOSSETT. It is a matter of administration.

Mr. PACE. Is that going to meet with the inquiry of the gentleman from Oklahoma as to the former owner, where the veteran and the former owner might both want to purchase?



Mr. GOSSETT. The former owner has the preference insofar as agricultural lands go.

Mr. PACE. And the gentleman is committed to that as the intent?

Mr. GOSSETT. Yes. I think the former owner ought to have the right to get his property back subject of course to the conditions heretofore stated.

Mr. WHITTINGTON. In that connection, the word "opportunity" is used with respect to the veteran and the word "preference" with the respect to the former owner?

Mr. GOSSETT. That is correct.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from North Carolina.

Mr. FOLGER. I have had experience in this sort of thing. In regard to one of the war camps located in one county they promised, as far as they could, that they would reconvey these tracts of land to the people from whom they were taken. They expect some time to get them back at the price that they either received by conveyance or through condemnation. But have you not gone a long ways and almost destroyed that assurance by taking this language out of the mandatory provisions of this bill and simply setting it out as a hope or wish or a policy to be followed?

Mr. GOSSETT. I hope not.

Mr. FOLGER. Is that not the effect of it?

Mr. GOSSETT. I prefer to have these mandatory provisions in the bill. I agreed to go along on the matter just by way of compromise, and in order to be sure of some protection in the bill for a proper disposal of these agricultural lands.

Mr. FOLGER. The committee wants that amendment to appear in the policy and objectives section of the bill?

Mr. GOSSETT. That is right.

Mr. FOLGER. But as it appears now, in disposing of surplus agricultural land in the United States the former owners shall be given preference mandatorily.

Mr. GOSSETT. That is right.

Mr. FOLGER. Is there anything wrong with that?

Mr. GOSSETT. I do not see anything wrong with that; not a thing, and I prefer it as now written. Its present form is my amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to ask the gentleman from Texas about his proposed amendment. Looking at page 39, line 5, I find this language, "except where the value of such tract has been increased by the Government." This applies directly to the question of the gentleman from Oklahoma [Mr. RIZLEY].

Mr. GOSSETT. Yes.

Mr. HOLIFIELD. Did the gentleman leave that particular clause out of his new amendment?

Mr. GOSSETT. The gentleman will find that matter taken care of in the suggested amendment.

Mr. HOLIFIELD. It was put right back in?

Mr. GOSSETT. Yes.

Mr. WHITTINGTON. With respect to the question asked by the gentleman from North Carolina in reference to subparagraph (g) on page 39, it might be well to keep in mind that numerous bills have been introduced to effectuate that purpose. There have been reports from time to time signed by the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior and other agencies of the Government, the net result of which asserted—and that was stated also by the administrator—that such a provision as this subsection (g) here would be difficult of administration and might prevent the disposal of all surplus lands, and would certainly delay it, to the detriment of the Government. For instance, there are about 70,000 tracts. There might be several hundred parcels at Willow Run, and you could not dispose of that plant unless you obtained, first, the consent of the man that had a quarter of an acre of land or a lot there, and it was for that purpose that the amendment was suggested by the committee.

Mr. GOSSETT. I thank the gentleman.

Mr. HALE. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have been thinking the matter over and I came to the conclusion that someone ought to indicate about what will be involved in this situation of disposing of this surplus property. Any property that the Government has and does not want is surplus Government property. At the conclusion of this war, according to the best estimate that I can read on the subject, there will be \$60,000,000,000 of investment in this property. Of this sixty billion, three-quarters of it, or forty-five billion, will be retained by the Army in our national defense. That leaves fifteen billion. Of this fifteen billion, \$9,000,000,000 of that property is in Europe, leaving six billion for us to handle here at home.

Just what does it consist of? What will they sell to you? First, they will sell raw materials that the Government does not need and does not want: Aluminum, copper, steel, zinc, rope, lumber, and so forth; second, motor vehicles, trucks, and jeeps; third, clothing, footwear, blankets, bedding, utensils, and so forth; fourth, obsolete combat equipment. That is what they are going to sell, and there will be about \$6,000,000,000 worth involved. I notice here this afternoon some of us are apprehensive that this property will not be disposed of in a fair way; that there is no earmark of fairness that can be established.

I call your attention to page 32 of the bill, where section 11 provides:

In formulating regulations to govern the care and handling and disposition of surplus property under this act, the administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest.

He is guided by two rules of action, first in the preamble and second in the specific manner. On page 33 we have that specific manner, as far as we are concerned,

about small business, which you are anxious to know about:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors—

You could not get anything more fair than that. If a small dealer in my county wants to buy 4 tractors, under the terms of this bill and under the terms under which these regulations shall be written, he will be entitled to buy 4 tractors at the same rate as one who might buy 100—

to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition—

And further—

to discourage disposition to speculators.

Those rules and regulations must be written under the terms of those provisions, first in section 1 of the bill and then in section 11.

This is the point that impresses me. On page 34 it states:

To prevent insofar as possible unusual and excessive profits being made out of surplus property.

This means first in the sale to the dealer, and second, that after the dealer gets possession of it he is guided by the same principle.

I think this committee has gone about as far as it can in writing specific measures to handle the entire situation. It seems to me it has riveted it down so that anyone could appear where a sale was made where it was apparent on the face of it that the profit was unconscionable and unreasonable, and I do not think they would have a leg to stand on under the terms of this bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. HOLIFIELD. I wish to compliment the gentleman and the rest of the committee on this bill. There is one thing, however, that I should like to hear discussed by someone who is competent along that line, and that is the decision to appoint an administrator rather than a five-, seven-, or nine-man board, which might have as part of its representation members from heavy industry, from merchandising, and possibly to represent the consumer's interest, to set up these policy regulations. Would the gentleman care to discuss why an administrator was chosen rather than a board?

Mr. BURDICK. I think where you have too much scattered responsibility you have none at all. I want that responsibility put right where we can handle it, and under the terms of this bill that responsibility is fixed.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I congratulate the gentleman on his thoughtful, careful, and constructive statement. May I say that in the handling of this surplus property there are many items that are urgently needed by the public, because there is a scarcity, as he so well points out. The aggregate of disposals in retail



sales in the United States is around \$4,000,000,000 per month, and we will provide approximately \$6,000,000,000. That might be kept in mind when we manifest our apprehension, keeping in mind that this bill will not disrupt our economy but provide for objectives that are sorely needed by many of our people now.

Mr. BURDICK. That takes the place of less than 2 months' production.

Mr. WHITTINGTON. Absolutely.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. IZAC. Does the gentleman recognize in the bill at any point any statement to the effect that we shall distribute these surplus commodities by small units rather than large?

Mr. BURDICK. No; all it says is:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

Mr. IZAC. However, there is nothing to prevent a great accumulation of surpluses being disposed of to one corporation?

Mr. BURDICK. I yield to the gentleman from Mississippi to answer that question.

Mr. WHITTINGTON. In the first place, there are very stringent prohibitions against monopoly and the prevention of competition, and, second, the objective as to use, as stated by the gentleman in his original statement, is to foster wide distribution of surplus property.

Mr. BURDICK. Further answering the gentleman from California, I think there is some merit in what he questions. The fact that the bill lays down the formula that property shall be sold on equal terms with larger competitors would not have much effect if you did not have the money to go through with it.

Mr. IZAC. That is correct. Furthermore, we had the experience in the First World War that that is exactly what happened. We had JF-4's turned back to the Curtis Co. for \$450 apiece, and that company then sold them to the aviators who came back for \$4,600 apiece.

Mr. BURDICK. I think this bill prevents that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. VOORHIS of California. I hope the gentleman is correct. It does not seem to me that the bill is strong enough on the point just raised by my friend from California, and I propose to offer an amendment which will state that the administrator shall dispose of property in the smallest practicable lots, which seems to me to be an understandable and possible thing to do. I cannot see why it will not protect against the situation the gentleman has in mind.

Mr. IZAC. If the gentleman will yield further, I have this further suggestion. The Committee on Naval Affairs sat for about 2 months on this very subject, and we were unable to find a way to prevent excessive profits. We did discuss this feature which I should like to offer as an

amendment, although I admit that it is full of loopholes. I should like to see a limitation on the mark-up from the original price placed on the further disposal of all materials obtained under this bill, for instance, a mark-up limitation of 40 percent. If you will do that, you will keep the speculators from getting any of this material.

Mr. BURDICK. I will confess in discussing this bill that I must agree with both gentlemen from California, because I have the same thing in mind.

Mr. WHITTINGTON. If the gentleman will yield further, in carrying out that policy we will be running up against the continuation of Price Administration regimentation and control long after it is needed, if it is invoked.

Mr. HOLIFIELD. May I make this further comment: I was in the merchandising business after the last war and found it was impossible to go into the market and bid on lots of shoes, say, because some man had bought five carloads of shoes at 14 cents a pair and the little man could not step in and bid. Unless there is some provision made in this bill that in the regulations written by the administrator there is a provision that once a price has been placed on a certain article individual purchasers or small-lot purchasers are given the first chance at it, I doubt very much if you will prevent the concentration of this material in the hands of the big dealers.

Mr. BURDICK. We have heard very much in this Congress about the protection of small business. It seems to me we can carry out the general purpose of this bill and vote for it and still insert in the bill those provisions that will actually help small business. Here is a chance to do it.

I compliment both gentlemen from California on making that suggestion. I think the committee sees the point. This is a place where you can absolutely give small business an equal chance, that is needed, and up to date they have not had it.

Mr. HALE. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, the only reason I am taking some time now is because there is no one else who has asked for time at this moment. I understand the reason for that is that Members on our side have amendments they would like to offer to this bill and they are waiting for the time when amendments are to be offered in order to address the House on their amendments. This bill, of course, creates a czar to handle the disposition of surplus commodities. It has been estimated that from \$40,000,000,000 to \$125,000,000,000 worth of properties will be disposed of by this czar.

Mr. ROLPH. The gentleman speaks about the total amount of property that is to be disposed of under this bill. Does the gentleman know if any inventory has been made? Does the gentleman know if any accurate inventory has ever been made of merchandise that will be handled under this legislation?

Mr. BENDER. Frankly, there have been estimates made by those who are in

a position to know, estimates as to the amount, and you will find that contained in the hearings.

Mr. ROLPH. Is there an inventory?

Mr. BENDER. There is not exactly an inventory, but there are estimates made by the gentleman who has been suggested as the possible administrator under this bill. Mr. Clayton, as well as Mr. Folsom, treasurer of the Eastman Kodak Co., who has been studying this problem, as well as another gentleman who has written a book recently and who has given us some figures. But they are all guessing, more or less, as to the total surplus there will be, because no one knows how long the war will last and no one knows when property will become surplus. We have gone along in this war, and this Congress has been very generous in voting money for all the departments engaged in the war effort and has voted limitless sums of money to both the War and Navy Departments and all the other departments in the name of the war effort. I am sure this money, in some instances, has not been well spent. I know in Cleveland, for example, we have a branch of the Navy, an accounts department, and I know that in that accounts department they could get along with about half the personnel. I have that information from people who are competent to judge. However, with the war on there is not a Member of Congress who is willing to get up here and criticize because we are anxious to vote every cent to speed the winning of the war.

But here we have something else. Here is something that deals with the property of the United States Government, of the taxpayers, after the war. Many Members on both sides of the aisle today and last week have questioned this proposal. Well, all I can say to them is this: I am willing and anxious to vote for the best plan, and if you have a proposal better than this one, in the name of good government, get up here and offer it. We are here, even as members of this committee, with open minds. During the hearings on this bill there has been very little debate. There has not been enough advice and counsel offered by the citizens to the Congress. There has not been enough contributed in the way of expert advice on this issue. This measure involves approximately \$75,000,000,000. You can appreciate how our whole economy will be affected if \$75,000,000,000 worth of material, or even one-fourth of that, is thrown on the market and upsets the apple cart as far as our whole economy is concerned. The question has been raised as to who will administer this law. I do not know. It has been mentioned here that Mr. Clayton will be the administrator, and high tribute has been paid to him. I have heard, on the other hand, that Maury Maverick, whom I do not know personally, might be the administrator. I cannot say anything regarding him. I have heard that Harry Hopkins might be the administrator. I have even heard that Vice President WALLACE might be the administrator and might have to do with the disposal of the property. I question the wisdom of voting to give that man a 2-year tenure in office at



this time, especially since we are going into a national election and when the prospects are very good that our national administration will change next January.

Possibly the Congress can suggest some alternate plan. After all, I know that on the floor of Congress we voted on and discussed issues regarding the O. P. A. Only this morning I had a long-distance call from a man who sold a refrigerator to a friend. He sold only one refrigerator to his friend and he was fined \$542. I am sure, as a Member of Congress, I never intended that the O. P. A. should have the power to make such an assessment against an individual in the sale of one refrigerator. Here we have millions of jeeps and millions of acres of land and thousands of ships. We have everything from soup to nuts to sell under this bill and we are giving the authority to one man. I am anxious to vote for a bill and if there is no better way out I will vote for this one. However, if you have any question in your mind regarding this proposition you should raise that question even if we work here for 4 or 5 days. We will not lose anything. We will all profit if you offer constructive amendments to this measure, and if you offer the benefit of your advice and your experience at this time regarding this legislation.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from California.

Mr. VOORHIS of California. I am much obliged to the gentleman, because I agree with him. While I think the committee did a very conscientious job, I do believe we can be more specific in a number of instances in this matter and I am hoping to have the time in just a few minutes to discuss some of those things.

Mr. BENDER. I thank the gentleman.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MICHENER. I agree with what the gentleman has said. I want to call to his attention and to the attention of the House this fact, that 2 days' general discussion has been provided for speeches just like the one the gentleman has made. Then there is no limit on the time that will be given in the House, under the 5-minute rule, to offer every amendment that any Member of the House feels should be considered, and there will be a vote on that. So that here is an opportunity for full and free expression of the House to write its own legislation and work its own will in reference to the property here covered.

Mr. BENDER. I thank the gentleman from Michigan [Mr. MICHENER] who is a member of the Rules Committee. I appreciate the fact that he had that in mind when this rule was presented.

Now, there is some excuse for some of the appropriation bills for the Army and the Navy going through here like a cat goes through a dog show, but there is absolutely no excuse for this bill dealing in seventy-five to one hundred billion dollars worth of commodities and effecting the economy of the United States as

this bill affects our economy, getting the bum's rush. Now it is something to which all of us should give the best we have in the way of experience—experience in our home communities. For example, the gentleman from Pennsylvania [Mr. WALTER] appeared before the committee this morning in connection with a problem affecting his district. He was discussing pipelines. He said there was only one customer for this pipeline and that was I believe, some gas company, and if that gas company got control of that pipeline, the whole anthracite industry in the State of Pennsylvania will be affected and thousands of men will be unemployed as the result of the sale of that equipment to that one customer, or to that one prospective buyer who is in the market to make that purchase. In my opinion that is something that ought to receive the serious consideration of this House and we ought to take time to discuss it and discuss it fully and freely.

I receive a great deal of mail. In fact, I was told by the postmaster that I receive more mail than any other Member of the House, but I am sorry to say I have received only a handful of letters from my constituents and your constituents regarding this proposition. It may be that most of them do not know it is here. Maybe they are thinking about the war and not thinking about post-war problems and the disposal of this property. But we are here specifically today and this week to consider and to discuss this measure. Do not be hurried. Take your time. I hope that all of us will give this matter the serious and careful consideration it deserves.

Even though I voted to report this bill out, even though I feel that our committee endeavored to do the best job possible, I still feel there is room for improvement. I hope that everyone of you will make your contribution and if you have any question in your mind whatsoever regarding any provision of this bill you will state it here on the floor.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. With respect to the disposal of the pipe line, as disclosed by the hearings, is it not true that the committee reporting this bill undertook to get all the information it could with respect to any restrictions or any language that the committee could use in the disposal of that sort of property or any other plant that the Government might have operated during the war?

Mr. BENDER. The gentleman is correct regarding that particular pipe line, but the gentleman from Pennsylvania [Mr. WALTER] came in at the eleventh hour, when we were ready to adjourn. He came in at a time when we were ready to report the bill out. Fortunately for him, his amendment was adopted as a part of the committee report. I believe I am correct in that. I am pleased that the gentleman was there and represented his constituency as well as he did. Even though the gentleman was on the committee that presented the bill to us before, the gentleman afterward consid-

ered this proposition that vitally affected his district, which indicates to me that there must be many, many other similar items.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. BENDER] has expired.

Mr. HALE. I yield the gentleman 5 additional minutes.

Mr. BENDER. There must be many other items that deserve the same kind of consideration that the gentleman's amendment received?

Mr. WALTER. Will the gentleman yield?

Mr. BENDER. I yield.

Mr. WALTER. I would like to call the gentleman's attention to the fact that I did not learn there was somebody interested in this pipe line, insofar as it could be used in competition with the great anthracite industry, until I read a speech recently delivered by one of the vice presidents of the Standard Oil Co. of Ohio. That speech indicated the use to which this pipe line could be put. I learned thereafter that there is only one company in the Nation that could possibly undertake the use of this facility, and that is one of the Standard Oil companies.

Mr. CHURCH. Will the gentleman yield for a correction?

Mr. BENDER. I yield.

Mr. CHURCH. The report does not include the gentleman's suggested amendment. As a matter of fact, it was adopted by the committee today. The report was filed yesterday.

Mr. BENDER. I commend the gentleman for offering his amendment, irrespective of whether it is Company A or Company Z. Irrespective of who is affected, the fact that there is such a condition ought to be carefully considered by the Congress.

When you vote power to some of these bureaucrats, believe me they will use every ounce of power you give them. It is not a matter of a lot of pious phrases as one gentleman this morning referred to much of the language in the bill. He said: "There are a lot of pious phrases." That is where the gentleman from Massachusetts [Mr. GIFFORD] got that word "pious." He heard it this morning in committee. The thing is loaded with pious phrases that do not mean a thing. Just words. Now, it is up to you and up to me to find out where the pious phrases are, and separate the wheat from the chaff, and actually determine what the meat in the coconut is, and then act accordingly. But I know if you give some of these people power they will use every ounce of it. In fact I have known in recent years of these bureaucrats going back as far as the Civil War to get more power and authority, and if these same minds are in the driver's seat, God help the people of America.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. Did I understand the gentleman to say that this bill was loaded with pious words and meaningless phrases, and yet I understood the gentleman to say awhile ago that he voted to report this bill out?



Mr. BENDER. I voted to report out all the pious words. Frankly I voted for this bill because I wanted the bill to come to the floor of this House. I felt it was the best thing we had to give in the absence of anything else. At the same time I wanted to give an opportunity to the membership to present amendments. I expect to be here and listen to every amendment and to vote even as a member of the committee which reported this bill out, for desirable amendments. The word "pious" is not my own. That is in quotation marks.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ZIMMERMAN. Will the gentleman yield further?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. May I say I am a member of the so-called Post-war Economic Policy Committee which was called back here to sit with your committee to consider this bill. After laborious effort I arrived here on last Monday and I sat with the committee until it concluded hearings. I understood the committee had heard all the witnesses they desired to hear, and that the committee was ready to consider this bill. If this bill is in a terrible shape as the gentleman has indicated, I just cannot understand how it got to the floor of this House and why that committee did not write a sane bill without pious words and meaningless phrases, and then bring it to the floor of the House to be written on the floor, a think we all know cannot be done.

Mr. BENDER. I did not say this was a terrible bill, but I do not want this to be a terrible bill; I want this to be a good bill.

Mr. ZIMMERMAN. What does the gentleman call it?

Mr. BENDER. Just a moment. There is the question as to who is to administer this law. Three or four names have been advanced. If there is a question as to the power this individual is vested with it should be raised and discussed now. I repeat again, we now have this matter before us; let us use this opportunity to act wisely and intelligently. Perhaps the legislation is drawn in the best possible language. I hope so. If we pass this bill as it is I hope it is right because I helped bring it to the floor by voting for it. But before I finally vote on the bill I want to be certain of what I am doing. I do not pretend to know all the answers. I do not know very many of the answers. There are men here with all kinds of experience in other fields than mine. Let them give us the benefit of their advice and their experience. At the hearings we held last week unfortunately only half a dozen people appeared before the committee. I attended some of the hearings; some I did not, but I read every word of the hearings and there were not over half a dozen expert witnesses who appeared before the committee.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield further?

Mr. BENDER. I yield.

Mr. ZIMMERMAN. The gentleman has talked about the possible administrator of this bill. It seems to me we are confronted with the same situation in this bill that we were when we brought before the House and passed the war-contracts-termination bill which is now the law. We all know somebody has to be clothed with authority to do this big job and to do this big job in a speedy, efficient way; that is just what this bill seeks to do.

I warn you that if you go to limiting the power and authority of the man who is to do this job you are going to thwart the very purposes of this legislation which we are told is so badly needed or will be when this unfortunate war ends. I want to sound the warning at this time that if we follow some of the gentleman's suggestions I am afraid we shall wreck the bill that was drawn to do the job.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Yes; I yield, but I want to reply to the gentleman from Missouri.

Mr. WHITTINGTON. I have no desire to cut the gentleman off from answering, and I am sure I could not if I would. With respect to the hearings, is it not true that the Committee on Expenditures, of which the gentleman himself is a member, gave consideration to the matter of surplus property for weeks and for months, having begun consideration of the subject in February 1943, and finally reporting a bill here that was passed by the House on June 9 and that those hearings are available? Is it not true that we had before us in executive, as well as open session, whose testimony in open session is published in the hearings, representatives from the various agencies of the Government? Is it not also true that, in addition to the hearings conducted by the Committee on Expenditures, the hearings conducted before the Committee on Public Buildings and Lands, the Committee on Small Business, the Committee on Banking and Currency of the House, and in addition to that, the hearings conducted before the Military Affairs Committee in the Senate, and other committees, all having to do with the question of surplus property, were available to members of this committee and are available to Members of the House?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman from Ohio 10 additional minutes.

Mr. BENDER. Answering the question regarding the Committee on Expenditures in the Executive Departments, dealing with surplus commodities last year, that bill is as dead as a dodo bird; it is in the ashcan. Is that not true?

Mr. WHITTINGTON. But the fact is that we considered the subject matter of surplus property extensively and comprehensively for months last year.

Mr. BENDER. We did discuss and consider surplus commodities, but we did not discuss and consider all the issues involved, and not one of us had in

mind the tremendous sums that are now before us as surplus. We, however, passed a bill; but I ask the gentleman to compare that bill with this one and he will see that the phraseology is as different as night is from day, that the whole plan and program is different than that which we acted on before. Is not that true?

Mr. WHITTINGTON. The purpose of my question, of course, was to emphasize the fact that this bill was not hastily considered but that the subject matter, especially the subject matter of surplus property, had been considered off and on for 18 or 20 months and by many other committees of the Congress, and that their hearings were available to the members of our committee as well as to the Members of Congress when we reported this bill.

Mr. BENDER. I do not know why some of the Members are so touchy about openly and freely considering this question. That is what I am apprehensive about. I am concerned that we make as few mistakes as possible. I am sure the gentleman is a conscientious Member of the committee. I have great respect for the gentleman, I have great respect for his ability, I have great respect for his contribution to the hearings; but the gentleman is aware of the fact that we have at times passed legislation quickly, that at the last moment amendments are offered that even the gentleman with all his experience never thought about.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. I had in mind the gentleman's initial statement. He said he was trying to consume time and I merely wanted to help him.

Mr. BENDER. No one consumes more time in the House on all occasions than does the gentleman from Mississippi. I think I have spoken on this floor only a few times in the last 2 or 3 years.

Mr. WHITTINGTON. I was just trying to help the gentleman.

Mr. BENDER. I do not propose to be censured by the gentleman from Mississippi who speaks longer and louder on every subject than most Members.

Most of my experience in business was that of a department-store executive. I know how easy it is to get surplus property on your shelves; I know how easy it is to lose money in the mercantile business if you are not on your toes. The gentleman back there is in the same kind of business and I notice that he nods his head. He understands what I am trying to say here. When you have \$75,000,000,000 worth of surplus property, it behooves all of us to watch our step.

Mr. HILL. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Colorado.

Mr. HILL. Since the gentleman referred to me, I would like to ask him a question to clear my own mind. How are you going to put a man in charge of the sale of surplus property, a single man, then in section 7 by five short sentences turn over the sale of surplus property to individuals, or I may say divisions of the



Federal Government and all this man has to do is be subject to the regulations of the administrator with respect to price regulation? Here is what I would like to know. Price regulation has nothing to do with sale regulation. There is all the difference in the world. All the price administrator has to do with any of this property listed on page 29 is through price regulation. Price regulation does not mean a snap of your finger if you do not add sale regulations. I want to know who is going to sell it, how he is going to sell it, how you are going to dispose of it? I heard a story when I was home in regard to the sale of blankets. No one could bid on them unless he could bid on 500,000.

Mr. BENDER. I originally asked for 15 minutes and I consumed part of that time when questions were asked. If I tried to answer the gentleman's question I would require an hour's time to discuss that one point alone.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I now understand that all employees employed by the administrator will be subject to civil-service rules, regulations, and standards?

Mr. CHURCH. The regular employees, but not the specialists.

Mr. CRAWFORD. Oh, well, now, that is different.

Mr. CHURCH. It is just like any other branch or any other agency. The stenographers, clerks, and so forth, are under the civil service. The bill was corrected in that respect. The specialists are not under civil service.

Mr. CRAWFORD. I would like to make one further statement.

Mr. CHURCH. The regular employees will be under the civil service.

Mr. CRAWFORD. We are entering into what I understand will be the greatest merchandising job ever created for one single organization. Now, merchandising is a rather special field, and I am talking about merchandising now. You go out and merchandise a proposition. What percentage of the total of these employees will be specialists?

Mr. CHURCH. Would the gentleman want those specialist merchandisers to be under the civil service?

Mr. CRAWFORD. No.

Mr. CHURCH. Then this bill takes care of the gentleman's suggestion.

Mr. CRAWFORD. I want to have the RECORD show whether or not these employees are subject to civil service and if they are not subject to civil service let us have the RECORD show that fact. If they are subject to civil service, or only a part of them, what is the percentage; and if the others are exempt, what percentage? That is the type of information the country wants.

Mr. CHURCH. Would not the gentleman be willing to leave it to the administrator to determine the number of specialists he needs and have the regular stenographers, clerks, and so forth, as usual in the departments, under the civil service?

Mr. CRAWFORD. Undoubtedly to be practical that is the way you will have to do it.

Mr. MANASCO. If the gentleman will yield, in answer to the question asked by the gentleman from Michigan [Mr. CRAWFORD], the surplus property administrator himself does not dispose of the property directly. That is being done by the different operating agencies. The employees of those operating agencies are all under the civil service now.

Mr. HILL. I do not like the gentleman to pass my question with a brush on the shoulder because I am talking about a fundamental here. I am talking about the sale of goods and the price of goods. I could not bid on 500,000 blankets if I were a small businessman but I might be able to bid on a hundred blankets.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HILL. This is a price arrangement. I want a sales plan worked out. You will notice on page 29 these words:

Any property which is damaged or worn beyond economical repair.

That is not pious language so far as I am concerned. A piece of equipment might be worn beyond economical repair for something I wish to use it for but it would be the very identical piece of equipment in that shape for someone else to use. How are you going to interpret such loose language?

Then there is the next line:

Any waste, salvage, scrap, or other similar items.

Every one of those items can be sold by the organization or department that has them and all the administrator has to say is: "Go ahead if the price is right," not the sale. I object to that kind of language and I say to you as a businessman that phrase means nothing.

Mr. MANASCO. Will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Alabama.

Mr. MANASCO. That is the section that provides "any waste, salvage, scrap, or other similar items." We found if you tried to limit the construction of that, there might be so much slop or garbage on hand at an Army camp that would be very bad for the health of the Army camp and they could not dispose of it. We had to provide that way. Now, refer to page 32, subsection (c) of section 10, which reads:

The administrator, by regulation, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

I think that would take care of the price situation and it would also take care of the problem of the small businessman in purchasing in smaller lots.

Mr. BENDER. The gentleman from California [Mr. POULSON], a member of the committee, has an amendment creating an advisory council, that he expects to offer when amendments are in order. It will be noted in the bill itself that an advisory council is created to be made up of the cabinet members of the administration then in power. It will be

noted also that the Congress is to be the watchdog, a quarterly report to be made by the administrator to the Congress, giving an account of his stewardship.

Mr. WHITTINGTON. Without pretending to be facetious and in all seriousness, if the gentleman will permit, this section 7 was discussed by the committee and rather carefully analyzed. It is essential to enable an Army camp to dispose of garbage, for instance, that has to be disposed of immediately. That should not be handled by the administrator. That should be handled by the camp. Section 3, for example, we were advised, is essential; otherwise the administrator might have the authority to dispose of the power at Muscle Shoals. That is the purpose for which Muscle Shoals exists. This language here with respect to property that is damaged or worn beyond economical repair perhaps could be improved upon, and if it can be improved upon, I would like to have the language. I have a high regard for the gentleman from Colorado and for his views, and may I say to him that language is not original to this bill. It undertakes to except property that had no value; it undertakes to except property that has to be disposed of at once and it undertakes to except property that is within the functions of the agency, as the language is used in the particular section.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HILL. The language I am objecting to is not in sections 1, 2, 3, and 4. I object to the word "price" in the second line. It reads:

Subject only to the regulations of the administrator with respect to price policy.

I object to that because it is absolutely wrong. If you are just going to give him price policies on the sale of those products, you have no regulatory control over the administrator in the sale of them. If the price is O. K., that is all there is to it, but that is not the way we want to dispose of them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us refer to page 32, section 11:

Sec. 11. In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest:

This is the question I wish to ask the chairman of the committee. Going on over to page 33, if the chairman of the committee will listen to me, lines 13 to 24, inclusive, what is there in section 11, page 32, lines 19 to 23, which makes it mandatory that the administrator shall give smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors?

Mr. MANASCO. There is nothing mandatory.



Mr. CRAWFORD. In other words, this bill does not put the farmers or the small business concerns on an equal basis with large competitors; does it?

Mr. MANASCO. This is merely a ruling guide to the administrator.

Mr. CRAWFORD. A ruling what?

Mr. MANASCO. A ruling guide to the administrator. If he carries out his duties, he will follow this.

Mr. VOORHIS of California. I would just like to say that I have an amendment that will make it mandatory, which I hope to explain just as soon as I get a chance to speak.

Mr. CRAWFORD. I thank the gentleman.

Mr. BENDER. I hope that during this discussion some additional knowledge and information has come to the Members, which will be valuable to them as we vote on this bill.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Nebraska.

Mr. CURTIS. May I ask the gentleman what the language on lines 13 and 14, page 38, means, which reads as follows:

And for completion of any semifabricated property.

This section authorizes the Government agency to go ahead and take care of property or to complete any semifabricated property. What are the limitations to what it can do? Can it go ahead and assemble machines that there are ample parts for already manufactured? If so, many of these Government factories could run on for a long time.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Alabama.

Mr. MANASCO. That provision was put in there because in the termination of war contracts you might find yourself with rayon hose or underwear, as examples, almost finished, yet if they were not finished, they would be an economic waste to the taxpayer of the United States. This authorizes the completion of those goods so that they can be marketed.

Mr. CURTIS. Is there any time limit in which they must be completed?

Mr. MANASCO. No time limit.

Mr. CURTIS. Any time during the life of this bill they can go ahead and complete the manufacture of property that is in the process of being manufactured at the present time or after the war is over.

Mr. MANASCO. I do not think the private contractor would allow unfinished undershirts to stay in the machine. They would have to be finished completely.

Mr. CURTIS. That also applies to other things?

Mr. MANASCO. That is true.

Mr. CURTIS. Such as steel products, and everything else.

Mr. MANASCO. That is true.

Mr. CURTIS. It occurs to me that there should be some limitation on how far they can go.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, this Congress is considering today important legislation to provide for disposal of surplus Government property and plants. The bill concerns the post-war period and may well affect the economy of our country. It deals with huge amounts of materials and equipment and war plants which will be disposed of to the general public from Government stocks. Even now the Army has surpluses of materials and equipment which are awaiting disposition. We must be careful to see that this material is disposed of where it is needed most and in a manner most advantageous to the Government.

The people of this Nation who are bearing the greatest burdens of taxation look to the Members of the Congress to place limitations in this legislation which will obtain a maximum of return and a maximum of benefit to the Government in the disposition of this property. My constituents have expressed concern lest this property fall into the hands of speculators. They request that the utmost care be taken in the formulation of plans and policies for the disposal of these goods. They suggest that the Government make proper provisions to make available to agriculture all of the equipment that is suitable for agriculture, and that such other material and equipment suitable for airports, road construction, schools, hospitals, and public works of all kinds be made available through a suitable post-war public works program.

My constituents urge that the office to be established under the terms of this legislation be required to set up the necessary machinery in the States and local communities for the disposition of this property and equipment locally and as soon as practicable. I recommend immediate action on this legislation which is urgently needed for the prompt, fair, and efficient disposal of surplus Government property and plants, and hope the bill will be amended to meet these requirements.

(Mr. LARCADE asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this morning the gentleman from New York [Mr. FISH], in his remarks, stated that the Congress was not slow about passing this legislation, but that as a matter of fact it had passed it just as soon as the recommendation came up from the executive who is now in charge of this program. That is, of course, true.

But there are two things I want to say by way of introduction of my remarks this afternoon. Both of them have to do with the position of the Congress in our National Government and in the minds of the people of the Nation. Because I believe that the problems of government after this war are going to

be more difficult than they have ever been before, and because I believe most earnestly that the future of human liberty depends upon the preservation in all its verity of democratic government, therefore I think there are two things that the Congress must do. The first is to take such action as may be necessary in the interest of the Nation before, not after, Executive action has to be taken, in the absence of such congressional action. The second is that whenever the Congress sets up an agency of government with certain powers or certain duties, it should go just as far as it is humanly possible for it to go in passing a genuine piece of legislation in laying down, insofar as it possibly can, the precise manner in which that job is to be done, the precise powers to be exercised, and the precise means of accomplishing the objectives which are set before the agency.

In the instant bill, as far as the objectives stated by the committee in the language of this bill are concerned, I have no possible quarrel with those objectives. I was present at a good many of the hearings and heard a portion of Mr. Clayton's testimony. I recognize the difficulties that inhere in some of the provisions which some of us would like to see which would tighten up the bill, but there are other such provisions which I do not believe would harm the bill in any way but would on the contrary make it a much better piece of legislation and about which I am going to speak in just a moment.

May I say further by way of introduction that I have just come back from home about a week ago. I believe in all sincerity that the city of Washington generally is, compared to the United States of America, in a sort of intellectual backwash. I found that the people in my home district were, in the progressiveness of their thinking, vastly advanced over the general point of view that one finds in discussions around this National Capital. I hope the Congress will realize that fact, because the people really mean it when they say they expect us not just to talk about making a lasting peace, not just to talk about preparing such a program as will prevent any period of unemployment after this war, but they want those things to really be done.

As to the bill before us, I should like to contrast the idea that we have to give vast, discretionary power to this administrator over this surplus-property-disposal job with the manner in which the House legislated on some other propositions. We recently passed the O. P. A. bill, and that job is at least as complex as this job, if not a more complex job than this one, though perhaps no more important. Nonetheless we provided all kinds of restrictions about the power of the O. P. A. Administrator. We wrote into that bill a great many very specific things that had to be done and the way in which they had to be done, and a lot of us voted for those things. I believe we passed a pretty good bill. So with those few thoughts in mind I should like



to go forward now with brief comments on this bill.

Section 1 sets forth objectives to be accomplished. I have said I do not think they could be better stated, and I personally think they are quite complete. I think they cover the ground. I think that is the kind of program we want to see for the disposal of surplus property.

The second section has to do with definitions, and I have no comment on that.

In the third section we come to the surplus property administrator. I am frank to say that I think the one thing that is needed to save this program more than anything else is to keep it as close to the American people as possible. I introduced a bill about this matter myself, House bill 5082, which I discussed briefly when I had an opportunity to appear before the committee. In that bill I had a provision for a civilian board to oversee this work and to see that the policies laid down by Congress were adhered to. I had a proposal also that the board in turn appoint State boards of outstanding citizens in the various States and to see to it that as to each State there was equitable distribution of an equitable share of this surplus property in that State. I expect it will be said that that is an impractical proposition. I do not believe it is. I think it could be done that way, and I think the job is big enough so that it would be worth while to try to get as much representation from among the American people into the conduct of this work as you can possibly get.

There is a surplus property advisory board provided in the bill. I think that board is probably necessary. It consists of the heads of various Government departments and agencies, but it does not take the place of the type of citizens' board which I have mentioned.

On page 30, in section 8, I come to the first main point I should like to make. I mentioned this morning in interrogation of the able chairman of this committee the fact that I believed that a mistake had been made in assigning to the Reconstruction Finance Corporation the job of disposing of agricultural lands. It just does not seem to me it is part of the job of the Reconstruction Finance Corporation to do that. Clearly it should be done by the Department of Agriculture, which, after all, is much more familiar with farming problems. It administers the program of the tenant purchase loans, and it administers the Farm Credit Administration and all the rest of the agricultural programs.

I would personally like to see an amendment put on this bill to say that agricultural lands shall be handled by the Department of Agriculture or, better yet, to say that in the designation of Government agencies to act as disposal agencies under this act, the Administrator shall make that designation and submit it to Congress, and that it shall become effective unless amended or disapproved by Congress within say 30 days. We have done that before on other types of bills. I should like to have something to say about what agencies are named here, because I think it is important, and

I think that what happened in the case of these agricultural lands is illustrative of its importance.

I take it that section 10, which begins on page 31 and which is titled "Methods of Disposition," is the section that has to do with the mandatory provisions of the bill, and that section 11 is the section which has to do with the policy provisions of the bill. So, because I believe there are certain things which ought to be made mandatory instead of matters of policy, I want to make three suggestions with regard to additional language to be added at the end of section 10, the first of which amendments would read roughly as follows. I am not sure that the language cannot be improved, but generally this is what it would say:

The administrator shall dispose of all surplus property in the smallest practicable lots and shall give preference to purchasers of smaller amounts of property over prospective purchasers of larger amounts.

In other words, if you have a great lot of material to be sold, if you have a whole lot of buildings, for instance, on a piece of land that used to be an Army cantonment or something like that, and there are a lot of folks around that vicinity that want to buy just one building, then they shall have the right to buy one building, and the whole works shall be sold in one-building lots if you can do it. I think that is the policy being pursued by the Corps of Army Engineers at the present time. I know of one instance where I am assured that it is, and I think it ought to be in the bill.

The same thing would be true as to other things. I just had a report given to me—I cannot vouch for this because I do not know it of my own knowledge—that only a day ago a certain individual purchased 10,000 mattresses from the Government. I do not know whether there was no one else who wanted to buy small quantities of mattresses, but I would imagine there are a lot of merchants in this country that would give a great deal if they could get, say, a dozen mattresses in stock.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. HOLIFIELD. I am glad the gentleman brought that up, because I have knowledge of that same deal. I understand 100,000 mattresses were offered for disposal right here by the particular department. At least one lot went as 10,000 mattresses. I have concern for the furniture stores of my district that are without mattresses of any kind. I am sure that 50 or 100 mattresses would have been a much better sale unit.

Mr. VOORHIS of California. I thank my able colleague. If the amendment I just read were adopted, I think the administrator would have to sell them in smaller lots if he had any chance to do so.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. ROLPH. Does not every business have its own peculiarities? The gentleman spoke about mattresses. I do not

know anything about how mattresses are disposed of, but certainly the minimum quantity that you could sell profitably of a material such as steel, for instance, would be a carload lot. You certainly could not sell some other items in carloads. I think each industry should be given special consideration.

Mr. VOORHIS of California. It would have to be. My amendment says that he shall dispose of all surplus property in the smallest practicable lots. I do not think he can sell one steel bar. I do not think any court would so interpret that. I think he could say that it was not practicable to sell one steel bar. Steel is not sold ordinarily in such small amounts.

Mr. ROLPH. Does the gentleman think the carload lot would be the minimum on steel?

Mr. VOORHIS of California. I would not be surprised in the case of steel but what it would, yes, but I think if you had people bidding for one carload you would have to sell it to those people who wanted one carload before you sold a trainload to somebody.

Mr. ROLPH. But the gentleman would not want to get down to the man who buys one bar or a couple of angles, for instance, because the overhead on that would be excessive.

Mr. VOORHIS of California. The reason I put the word "practicable" in there is that I readily recognize the fact that the administrator has to use some discretion about that matter. I think that is a case where he has to do it.

Mr. HOLIFIELD. That particular thing could be easily taken care of by the insertion of the words "or usual commercial lots."

Mr. VOORHIS of California. In accordance with the customary commercial practice.

Mr. HOLIFIELD. A case of shoes, for instance.

Mr. VOORHIS of California. That is right.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Maine.

Mr. HALE. Will the gentleman go as far as to say that 10 automobiles or 10 trucks should not be sold to a dealer if they could be sold one by one around town?

Mr. VOORHIS of California. There is language in the bill that states that the administrator is supposed to dispose of the material as far as possible through the customary commercial channels. The committee has written that into the bill. I take it that that language would still be applicable even though my amendment were adopted.

I will answer the gentleman's question a little bit further.

For example, we talked so much about the matter when we passed the G. I. bill, and I do think there are going to be times when returning veterans, or at least some of them, are going to want to go into farming and when I think it would be all right to sell them a truck or a tractor.

I want to go to my next point, which has to do with this first one. I think



there also ought to be a requirement contained in a section or a subsection under section 10, which would read approximately as follows:

The administrator shall provide for uniform, complete, and wide public notice concerning surplus property available for distribution and no such property shall be disposed of unless and until such public notice has been given and sufficient time has been allowed between such notice and disposition to afford interested parties a fair opportunity to purchase it.

That is a good deal the same language as the committee has included in section 11, but section 11 is a policy section. I think it ought to be an absolute requirement, and I do not think any surplus property ought to be sold until adequate public notice has been given, because otherwise there will be many, many people throughout the Nation who will not have any chance whatsoever to find out about it.

Now somebody says, "How can the administrator possibly get word to everybody in the country?" Of course, he cannot. But he can develop a regular, uniform, orderly manner of giving notice about these matters. He can make it available to the press. He can post notices in the post offices, and pretty soon the methods used will become well known to everybody. I, myself, believe that as to a good deal of this stuff, you could actually catalog it in a reasonable form and put out that catalog, not having everything in one catalog, but have different booklets for different types of surplus property. In any case, the safety of this whole program depends upon the whole American people knowing exactly what is being done, exactly what is for sale, just how much it was sold for, and for them to know that they have as much chance to buy it as anybody else.

In the next place, I think it would be well to say a little bit more than simply to say that the administrator shall give effect to the policy of affording returning veterans an opportunity to establish themselves as proprietors of agricultural businesses and professional enterprises, and I have wondered whether it was not practical to say that the veteran shall be given preference in the purchase of these commodities, provided that they want to purchase them for use in their own occupation or business. I think thought ought to be given to making that mandatory.

In the next place, I wonder whether it is necessary in section 11, which is the policy section, to say that the administrator shall give effect to the following policies, and I quote, "to the extent feasible and in the public interest." I do not know why we cannot strike out the language "to the extent feasible and in the public interest." We know it is in the public interest for these policies to be followed. Certainly they are stated in sufficiently general terms so that it is not necessary to include the language "to the extent feasible" at least so far as I can see, in connection with that matter.

We already had some discussion this afternoon about another proposal which I was deeply interested in, and that was the question of requiring of the admin-

istrator that when he sold property for resale he should at that time fix the maximum resale mark-up that can be charged. I do not see why that cannot be done. I do not believe you can fix one maximum mark-up as to all the different types of surplus property, but I do think the administrator and his staff could do it as to each different lot. I think they could say they will sell this lot of shoes at such-and-such an amount and the maximum amount allowable for a mark-up on those shoes shall be so many percent. I think that would be one way in which we could absolutely guard against the possibility of profiteering in this matter. I do not see why we cannot require that, and I would like to see us do it.

Now, coming to the problem of monopoly, the problem of the disposal of Government plants, which, in many respects, is the most dangerous and critical of all the problems that we are confronted with, for when the war began it was necessary for the procurement divisions of the armed forces to get the stuff for the war and to get it wherever they could get it and to get it as quickly as they could get it. As a consequence, the Government paid billions of dollars for the construction of plants—not at the expense of the companies that used the plants but at the expense of the American taxpayers. Furthermore, a good deal of that money—in fact, most of it—was expended on the construction of plants for companies that were already very big companies in their field and many of which were actual monopolies.

The committee that brings in this bill has recognized that situation insofar as aluminum is concerned and has required that no plants costing more than \$5,000,000, the larger aluminum plants, shall be sold except under certain circumstances and that a report to Congress shall be made first. There are one or two things that I think have to be done here, because if that be true with reference to aluminum, what about chemicals? I do not know what the facts are about how much public money has been spent on the construction of chemical plants, but I do know there is one corporation which completely dominates the whole chemical business in the United States. Indeed, it has a tighter monopoly, I imagine, than even the Aluminum Corporation of America, and that is the du Pont corporation. I certainly think petroleum ought to be in the same category; I certainly think steel ought to be. I believe aircraft ought to be, and I believe shipbuilding ought to be. In other words, I think what is good for synthetic rubber and aluminum would be good at least for the list of commodities that I have just mentioned.

So far as the disposal of the plant is concerned, a plant built at public expense, the question arises whether it should be turned over or sold to a corporation which already so greatly dominates the field as to fasten a monopoly upon that industry forever by action of the Government. That must not be allowed to happen.

If you do not want to do that, and there has been some argument against it, the chairman of the committee made an

able speech about the matter, then I have an alternative proposal because not so long ago, on April 25, 1944, I introduced a bill, H. R. 4568, which is very brief and which I would like to read as a proposed substitute for section 13 of the bill. It reads as follows:

That in the disposal of surplus Government-owned war plants and facilities, the following policies and procedure shall be followed by departments or agencies of government charged with responsibility for such disposal:

(1) In cases where, in the opinion of the Antitrust Division of the Department of Justice, conditions of effective competition exist in the industry in which any plant or facility is to be used, such property shall be disposed of by sale: *Provided, however,* That the Smaller War Plants Corporation shall have the right to exercise a veto power as to any such sale where in its opinion such sale would result in seriously changing the competitive situation in the industry to the disadvantage of small-scale enterprise.

(2) In cases where, in the opinion of the Antitrust Division of the Department of Justice, monopolistic conditions exist in the industry in which any plant or facility would be used then such property shall be disposed of by sale only if it can be sold to such purchaser or purchasers and under such conditions as will in the opinion of the Smaller War Plants Corporation definitely alleviate such monopolistic condition; but wherever the disposal by sale of such plant or facility would result in the opinion of the Smaller War Plants Corporation in aggravating such monopolistic conditions or where the only potential purchaser or purchasers are corporations already exercising monopolistic control in the industry, then until such monopolistic conditions shall have been changed, title to such property shall be retained in the Government and such property shall be leased for operation by private industry at a fair and equitable rental: *Provided,* That all such leases shall contain a clause providing that such lease may be canceled by the Government at any time the plant ceases to be operated at 75 percent or more of capacity, or monopolistic price policies are in the opinion of the Antitrust Division of the Department of Justice applied to its product.

In other words, you could not sell the plant for creating additional monopolistic control, but you would have to keep the plant in the technical ownership of the Government and lease it under the terms of the contract which would say, "Yes, you can lease this plant, you can use the plant, but you have got to use it and you cannot say you will just lease it and let it go idle or buy it and junk it, or something like that. You have got to use it for the production of things which the American people need."

(By unanimous consent, Mr. VOORHIS of California received permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union reported that that Committee having had under consideration the bill (H. R. 5125) had come to no resolution thereon.



## PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that I may be privileged to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURPHY. Mr. Speaker, for the benefit of the Members of the House and of the Nation, I ask unanimous consent to extend in the Appendix of the Record a compilation prepared by the Department of Labor showing employment figures in nonagricultural employment from 1929 to 1943 inclusive;

Second, average weekly pay rolls in manufacturing industries from 1929 to 1943 inclusive;

Third, farmers' net income from 1929 to 1943 inclusive;

And finally, corporation profits, after taxes, from 1929 to 1943 inclusive.

I am sure the Nation will be interested in the story which the figures tell.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. NORTON (at the request of Mr. OUTLAND), for 1 week, on account of official business.

To Mr. VINSON of Georgia (at the request of Mr. RAMSPECK), for an indefinite period, on account of important business.

To Mr. FITZPATRICK (at the request of Mr. WEISS), for an indefinite period, on account of illness.

## ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 16, 1944, at 12 o'clock noon.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW:

H. R. 5185. A bill to provide disability benefits for discharged veterans under certain circumstances; to the Committee on World War Veterans' Legislation.

By Mr. MAY:

H. R. 5186. A bill to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine; to the Committee on Military Affairs.

By Mr. ROLPH:

H. R. 5187. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas:

H. R. 5188. A bill to provide for the control of confidential business data submitted to the War Production Board; to the Committee on the Judiciary.

By Mr. WENE:

H. J. Res. 303. Joint resolution to authorize a preliminary examination of the Delaware River and its tributaries in the Delaware River Basin with a view to devising methods whereby the pollution of the Delaware River and its tributaries would be eliminated, and for other purposes; to the Committee on Rivers and Harbors.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE:

H. R. 5189. A bill for the relief of Capt. Werner Holtz; to the Committee on Claims.

By Mr. FORD:

H. R. 5190. A bill for the relief of Charles C. Sidles; to the Committee on Claims.

By Mr. WEISS:

H. R. 5191. A bill for the relief of Mr. George Hampton, Pittsburgh, Pa.; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5933. By Mr. AUCHINCLOSS: Resolution of the board of commissioners, Borough of Belmar, N. J., urging survey of proposed New Jersey intracoastal waterway from Manasquan River to Shrewsbury River; to the Committee on Interstate and Foreign Commerce.

5989. By Mr. HOPE: Petition of sundry citizens of Wichita, Kans., urging passage of the Bryson bill (H. R. 2082) to prohibit the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5990. By Mr. LYNCH: Petition of sundry citizens of the Twenty-second Congressional District of New York protesting against proposed prohibition legislation; to the Committee on the Judiciary.

5991. By Mr. ROLPH: Petition of board of supervisors, city and county of San Francisco No. 4133, series 1939, petitioning amendment to the Social Security Act to cover employees of a public utility being taken over by the municipality; to the Committee on Ways and Means.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 17, 1944, for actions of Wednesday, August 16, 1944)

(For staff of the Department only)

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HOUSE

1. PROPERTY MANAGEMENT. Continued debate on H.R. 5125, providing for the disposal of surplus Government property (pp. 7060-112). Rep. Manasco inserted the committee amendments to this bill (p. 7118). Rep. Pace, La., discussed his proposed amendment providing that "surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless such commodity is being disposed of, pursuant to this act, for export at competitive world market prices" (pp. 7114-7). Rep. Whittington, Miss., discussed the provisions, objectives, policies, and "merits" of the bill and inserted the committee's section by section analysis of the bill (pp. 7060-9). Rep. Halleck, Ind., urged the "drafting of the best-informed sales and distribution brains in the country to aid the Administrator" (pp. 7069-70). Rep. Hale, Maine, criticized inaction with respect to H. R. 2795, the O'Leary property-disposal bill, stating that "the necessity for the present bill would probably have appeared less urgent...had H. R. 2795 been passed" (pp. 7071-3). Rep. Cochran, Mo., discussed the agricultural-land problem and urged that the executive agencies should "retrench rather than expand" (pp. 7075-6). Rep. Poulson, Calif., inserted and discussed his proposed amendment to place SWPA under a board rather than under an Administrator (pp. 7077-80). Reps. Reed, N. Y., and others discussed the advisability of providing for the donation of property to educational institutions and Rep. Reed inserted a list of colleges in the U.S. (pp. 7080-96, 7106-12). Rep. Johnson, Ill., inserted a citizens' letter containing a program for property disposal (pp. 7098-9). Rep. Patman, Tex., discussed the work done to handle property disposition and inserted the Small Business Committee's report on this subject (pp. 7100-5). Rep. Poage, Tex., urged that provision be made "which will allow the Secretary of Agriculture to lend to soil conservation, flood control, drainage control, irrigation control and water control, and other conservation districts such machinery as he certifies is useful" (pp. 7112-3).

Bretton

2. BANKING AND CURRENCY. Rep. Voorhis, Calif., commended the Woods monetary conference recommendation to liquidate the Bank of International Settlements (p. 7058).
3. POST-WAR PLANNING; UNEMPLOYMENT COMPENSATION. Rep. Case, S. Dak., criticized the Murray-Kilgore-Truman unemployment-compensation bill and urged action to see that jobs are made available and that employment restrictions of executive agencies are lifted as quickly "as can be safely done" (pp. 7658-9).
4. POLITICAL ACTIVITIES; INFORMATION; SELECTIVE SERVICE. Passed without amendment S. 2050, clarifying the restrictions imposed on the distribution of publications or other Government-sponsored propaganda to the armed forces (pp. 7059-60). This bill will now be sent to the President.

SENATE

NOT IN SESSION. Next meeting Friday, August 18, 1944.

5. TAXATION; PERSONNEL. Judiciary Committee reported (Aug. 15) with an amendment H. R. 3592, to relieve Federal employees from multiple State income taxes on their salaries and to permit only the State in which such employee is domiciled to levy such tax (p. 7005).

BILLS INTRODUCED

6. FOOD PRODUCTION; IRRIGATION. By Rep. Case, S. Dak., H. R. 5192, to provide an optional plan of repayment on irrigation projects based on 10 percent of crop yields. To Irrigation and Reclamation Committee. (p. 7119.)
7. SELECTIVE SERVICE; INSURANCE. By Rep. Rankin, Miss., H. R. 5195, to liberalize certain provisions of the National Service Life Insurance Act of 1940. To World War Veterans' Legislation Committee. (p. 7119.)
8. PAYMENTS IN LIEU OF TAXES. By Rep. Randolph, W. Va., H. R. 5197, to authorize payments in lieu of taxes to local governmental units in which U. S. manufacturing plants are located. To Public Lands Committee. (p. 7119.)

ITEMS IN APPENDIX

9. POST-WAR PLANNING; UNEMPLOYMENT COMPENSATION. Rep. Plumley, Vt., inserted a Vt. newspaper editorial criticizing S. 2051, the Murray-Kilgore-Truman unemployment-compensation bill (pp. A3910-1).
10. LEND-LEASE; BANKING AND CURRENCY. Extension of remarks of Rep. Mason, Ill., "Pertinent Observations Bearing on the Coming Campaign", which he discussed the World Monetary Conference and post-war lend-lease (pp. A3908-9).
11. ELECTRIFICATION. Extension of remarks of Rep. Rankin, Miss., commending the rural electrification program and including Rep. Robertson's (Va.) address describing the benefits of this program to the farmer (p. A3897).
12. PROPERTY DISPOSITION. Rep. Andrews, N. Y., inserted a Surplus Record editorial which emphasizes the need for careful planning, advertising, etc. in the disposing of surplus Government property (p. A3899).
13. BANKING AND CURRENCY. Rep. White, Idaho, inserted G. M. Titus' article on the post-war money issue (p. A3900).
14. VETERANS. Extension of remarks of Rep. Ludlow, Ind., favoring his H.R. 5185, to provide disability benefits to discharged members of the armed forces on account of disabilities present at time of induction (p. A3906).



productive, self-sustaining job than that he should be paid out of the Federal Treasury for being without a job.

#### CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Allen, Ill.	Gorski	Mott
Anderson, Calif.	Grant, Ala.	Mruk
Baldwin, Md.	Grant, Ind.	Newsome
Baldwin, N. Y.	Green	Norman
Barry	Fagen	Norton
Bates, Ky.	Hall	O'Brien, Ill.
Beckworth	Edwin Arthur	O'Connor
Bell	Hall	O'Hara
Bennett, Mich.	Leonard W.	O'Konski
Bloom	Harless, Ariz.	O'Neal
Bolton	Harness, Ind.	Patton
Boren	Hart	Peterson, Fla.
Bradley, Mich.	Hébert	Peterson, Ga.
Buckley	Heldinger	Philbin
Bulwinkle	Hess	Phillips
Burch, Va.	Hinshaw	Pittenger
Burgin	Hobbs	Pracht
Canfield	Hoffman	C. Frederick
Capozzoli	Holmes, Wash.	Reed, Ill.
Carrier	Howell	Rees, Kans.
Chapman	Hu'l	Richards
Chenoweth	Jackson	Robinson, Utah
Clark	Jennings	Robson, Ky.
Clason	Johnson, Ind.	Rockwell
Coffe	Johnson,	Russell
Cole, N. Y.	J. Leroy	Sadowski
Costello	Johnson,	Sasser
Courtney	Luther A.	Satterfield
Curley	Johnson,	Seuthoff
Davis	Lyndon B.	Shaffer
Dawson	Johnson,	Sheridan
Dies	Ward	Sikes
Dirksen	Judd	Smith, Ohio
Dondero	Kee	Smith, Va.
Doughton	Kefauver	Smith, W. Va.
Douglas	Kennedy	Smith, Wis.
Durham	Keogh	Sparkman
Dworshak	Kerr	Stanley
Eaton	King	Stearns, N. H.
Elliott	Klein	Stevenson
Elmer	Knutson	Stockman
Elston, Ohio	Kunkel	Sullivan
Engel, Mich.	Lands	Tall'e
Fay	Luce	Taylor
Feighan	McCord	Thomas, Tex.
Fellows	McCormack	Tolan
Fernandez	McGehee	Treadway
Fitzpatrick	McLean	Vincent, Ky.
Fogarty	McMurray	Vinson, Ga.
Ford	Maas	Wasielewski
Fulbright	Magnuson	Welch, Ohio
Fuller	Maloney	Welch
Fulmer	Mansfield,	White
Furlong	Mont.	Willson
Gallagher	Mansfield, Tex.	Woodrum, Va.
Gearhart	Merritt	
Gibson	Monroney	
Glichrist	Morrison, La.	

The SPEAKER. On this roll call 268 Members have answered to their names, a quorum.

Further proceedings, under the call, were dispensed with.

#### EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I have written which appears in the New York Herald Tribune this morning.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a petition from the citizens of Ann Arbor, Mich.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the New York Times of August 15 entitled "Speedy Help Urged for Warsaw Poles."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERNICIOUS POLITICAL ACTIVITIES

Mr. WORLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2050) to amend the act of August 2, 1939, entitled "An act to prevent pernicious political activities," as amended by the act of April 1, 1944, entitled "An act to facilitate voting, in time of war, by members of the land and naval forces, members of the merchant marine, and others, absent from the place of their residence, and to amend the act of September 16, 1942, and for other purposes," and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WORLEY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is the so-called Taft amendment, which was passed in the Senate yesterday and is a clarifying amendment as to publications that the soldiers overseas may receive.

Mr. WORLEY. That is true.

Mr. MARTIN of Massachusetts. Does this have the support of the gentleman's committee?

Mr. WORLEY. It has the informal support of those members of the committee who have been consulted. Some of the members have not yet returned to Washington. As the gentleman knows, this bill passed the Senate yesterday by a unanimous vote.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not object, let me say to the gentleman from Massachusetts, the minority leader, that this is merely a clarifying amendment of a provision that was inserted by the Senate, and it has nothing to do with the voting qualifications of the soldiers themselves. We have no objection to it.

Mr. LeCOMPTE. Mr. Speaker, reserving the right to object, this has nothing to do with reinstating any provisions for registration or poll tax?

Mr. WORLEY. Unfortunately, it does not.

Mr. RANKIN. You should say, fortunately, it does not.

Mr. VORYS of Ohio. Mr. Speaker, reserving the right to object, when the soldiers' vote bill passed the House it contained my amendment which forbade censorship of the ballots themselves by military or civilian officials. That provision also passed the Senate, but in some way was extricated from the bill in conference. Is that provision restored in this amendment?

Mr. WORLEY. No; it is not.

Mr. VORYS of Ohio. Can the gentleman, who was undoubtedly a conferee, tell us why that provision which was approved by both Houses, was taken out of the bill?

Mr. WORLEY. If the gentleman will refer to the debate which occurred in the House and also in the Senate, the answer will be found there, but if the gentleman desires to have his memory refreshed, I will be glad to tell him the reason. The conferees were afraid that if these ballots were not subject to censorship, there would be a dangerous possibility of espionage. That was the reason the amendment was deleted. At the present time the ballots are not censored. But had we placed a prohibition in the law and a penalty for its violation of, say, a \$1,000 fine and 5 years in prison, or both, such a provision might have provided an opportunity to someone to reveal information of a military nature.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. RANKIN. Let me say to the gentleman from Ohio that I was one of the conferees, and we feared that this provision would do more to encourage fraud or permit fraud than it would to prevent it, and that with the implicit confidence we have in our military staff, we thought it would be a protection to servicemen to let them know that nobody else was going to vote their ballots for them and that, therefore, if anyone attempted to do so, it might be caught by the military intelligence and exposed. So under the circumstances we felt it was better to leave that provision out of the bill.

Mr. VORYS of Ohio. Mr. Speaker, I voted for the bill finally because it contained so many good features, but I have been unable to see how it would increase the independence of a soldier's ballot by his possible knowledge that his ballot might be censored. If the ballots are under military control at all times until they get to the ballot box, I have been unable to see how there is any possibility of espionage because the ballot will only be seen by the soldier and by the election officials in his home town.

Mr. WORLEY. I readily admit that there is merit in the gentleman's contention. However, the point has been discussed at length both in debate and in the conference committee. Further, we had testimony from the War Department that they have set up a censorship policy by Army regulations and we felt we would be going too far to pass a law which would positively prohibit the open-



ing of any ballot even where they knew espionage attempts actually existed.

Mr. VORYS of Ohio. Mr. Speaker, can the gentleman inform us whether there is any censorship of the ballot actually provided by the military and naval forces under the instructions and regulations that are now issued?

Mr. WORLEY. To my knowledge there are no instructions for them to censor the ballot.

Mr. VORYS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. WORLEY. Mr. Speaker, may I say in conclusion that these are simply clarifying amendments. The Taft amendment was originally far too restrictive. Under this amendment, however, I think every soldier will at least be permitted to read books, magazines, or newspapers of general circulation. As a matter of principle the members of the armed forces should be provided with every bit of information we back here at home have access to. I hope the naval and military authorities will take every step possible to provide all members of the armed forces, especially those overseas, with full, complete, and accurate information as to what goes on all over the world.

Mr. RANKIN. Mr. Speaker, reserving the right to object, let me say to the gentleman from Ohio [Mr. VORYS] that this statement with reference to the censorship of these ballots would apply to his State and to my State; that, unfortunately, there are States that accepted the bob-tailed ballot, which would leave it open to all kinds of fraud and exploitation.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WORLEY]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 22 of the act of August 2, 1939, as amended by the act of April 1, 1944 (Public Law 277, 78th Cong.), is amended to read as follows:

"Sec. 22. It shall be unlawful for any officer of, or person employed in, the executive branch of the Federal Government, or any agency or department thereof, including the Army and Navy, to deliver or cause to be delivered, to persons in the armed forces of the United States any general communication, Government magazine, Government newspaper, motion-picture film, or other literature or material, or to make, or cause to be made, any broadcast to the armed forces of the United States, paid for in whole or in part with Government funds, or sponsored by the Government, or any agency or department thereof, including the Army and Navy, which when considered in its entirety contains political propaganda obviously designed to affect the result of any election for President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives, or obviously calculated to create bias for or against a particular candidate in any such election, except as hereinafter provided:

"(1) The word 'sponsored' as used herein shall not be deemed to include sales at or through post exchanges, ship's service stores, or ship's stores of the armed forces, or purchases by company funds, welfare funds, or other similar nonappropriated funds of the armed forces.

"(2) Nothing herein shall prohibit the rebroadcast over Government-controlled radio stations of any political address, but equal

time must if requested be given for such purposes to representatives of each political party which has a candidate for President in at least six States in the current Presidential election.

"(3) Nothing herein shall prevent the Army or Navy, or personnel thereof, from selling, distributing, presenting, or making available to members of the armed forces—

"(a) books, magazines, or newspapers of general circulation in the United States and also, in an overseas command, those of general circulation therein; or motion-picture films, radio broadcasts, radio rebroadcasts, plays, or entertainment material as generally presented to the public in the United States; or written material for use in educational programs of the armed forces similar to written material generally provided for use in civilian educational programs by recognized educational institutions in the United States: *Provided*, That the selection of such books, magazines, and newspapers, when the selection is necessarily limited by difficulties of transportation or other exigencies of war, shall be made in some impartial manner prescribed by the Secretary of War and the Secretary of the Navy for their respective services, such as a preference expressed by members of the armed forces, or the recommendation of expert committees, or otherwise;

"(b) impartial and nonpartisan coverage or presentation of news or information of public events and affairs and persons in public life, through the media of servicemen's publications and motion pictures, radio programs, news services, and educational and orientation courses originated by the Army or Navy: *Provided*, That if in any issue or presentation space or time is allotted to editorials or columns supporting a political party which has a candidate for President in at least six States in the current Presidential election, an equal amount of space or time shall be allotted in the same issue or presentation to similar matter concerning each such other political party.

(4) Nothing in this section shall prevent the sending of any letter, communication, magazine, newspaper, or other literature by any individual, corporation (other than a Government-owned or Government-controlled corporation), or political committee to any member of the armed forces, addressed personally to such member of the armed forces, and paid for by him, or by the individual, corporation, or committee sending the same."

Sec. 2. Such act as amended is further amended by adding after section 24 thereof the following new section:

"Sec. 25. The provisions of sections 22 and 23 shall expire upon the expiration of 6 months after the termination of hostilities in the present war as proclaimed by the President or declared by concurrent resolution of the Congress."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the con-

sideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For the information of the Committee, the gentleman from Alabama [Mr. MANASCO] has consumed 1 hour and 38 minutes, and the gentleman from Massachusetts [Mr. GIFFORD] has consumed 1 hour and 30 minutes.

Mr. MANASCO. Mr. Chairman, I yield myself 1 minute in order to clarify a situation that has arisen.

Mr. Chairman, in the last 2 or 3 days I have been receiving letters from all over the United States from people who want to purchase this surplus material from me. I want it understood I have nothing to do with it. I received a letter this morning asking me to sell them a church organ, and another one asking for an amphibious jeep. I want the people to know I have nothing in the world to do with the disposition of this property.

Mr. Chairman, I now yield 30 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COX. Mr. Chairman, I would like to make this observation: I trust that the Members will remain on the floor and listen to the gentleman from Mississippi [Mr. WHITTINGTON] because he is well informed on this whole question.

Mr. WHITTINGTON. Mr. Chairman, we mobilized our manpower and we also mobilized our dollars to win the war. The unsurpassed production of the United States is contributing marvelously to all our glorious victories today. The dollars of the people have been invested in the property involved in the bill we have under consideration today. That property was acquired under legislation passed by the Congress, the representatives of the people, and by and large in the public interest it should be disposed of for the benefit of all the taxpayers.

We are dealing with the demobilization of property today. It is an enormous problem. Various estimates have been made as to the amount of the surplus that will be on hand at the end of the war. Only estimates can be made as to the amount of surplus war property on hand at the end of the war, and one estimate is probably as good as another. The most reliable estimate at present is that this property will aggregate from fifty to sixty billion dollars. Ships and aircraft will account for half of it. Guns and ammunition will account for about one-fourth of it. The remaining one-fourth, or about \$15,000,000,000 in value, will be available to the civilian population of the country.

The principal groups for disposal will be clothing, textiles, motor vehicles, food-stuffs, stock piles, machinery, tools, and equipment of wide variety. About one-half of this surplus will be abroad and most of it will be disposed of there.

The normal retail sales in the United States in pre-war times aggregate about \$4,000,000,000 monthly. The supplies that can be merchandised from surplus



property estimated to be on hand at the end of the war will probably aggregate \$6,000,000,000. There are many items of which there are shortages at present. In the public interest the property should be disposed of orderly and as soon as practicable.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I prefer to make a general statement. I will undertake to refer to the debates and the criticisms that have been made and suggestions that have been offered and I will analyze the bill and then I will be glad to yield for any questions.

But the disposal of plants presents a much more complex problem. The Government has invested some \$15,000,000,000 in plants, and when we recall that in the First World War the investment was approximately \$600,000,000, and that was practically all invested in shipping, we can appreciate the magnitude of the problem with respect to the disposal of plants. Those plants consist of aircraft, munitions, ordnance, shipping, synthetic rubber, metals, chemicals, and machinery. It is estimated that the airplane facilities alone aggregate some \$3,000,000,000. Three-quarters of these Government plants involve projects of \$10,000,000 or more. Nearly one-third of the total investments are in units of \$50,000,000 or more. The War Department has acquired about 5,000,000 acres of land at an aggregate cost of approximately one-third of a billion dollars. The Navy Department has acquired about 200,000 acres at a cost of \$60,000,000.

We have under consideration a bill for the disposal of property which will be estimated to be on hand, and we should keep in mind that at this time the United States should adopt a general policy as has Great Britain and as has Canada, as I am informed, and there should be certain objectives in mind. We do not want to dislocate our domestic economy. We must continue to provide for the national defense. We must discourage monopolistic practices and encourage the widespread distribution of this property. We must provide for post-war employment. We must preserve competition. We must prevent excessive profits. We must realize the highest obtainable return for the Government, for the benefit of the taxpayer.

A word as to the history of the legislation. There are probably a hundred statutes now in existence with respect to the disposal of surplus Government property. With the expansion of Government, particularly in the past 12 years, the question has become a most important and complex one. The President of the United States issued an Executive order for the disposal of surplus property in August 1942. The Director of the Budget is to be commended for having, under that Executive order, provided for inventories, for transfers within departments, for standardization. The problem was long neglected, and the House of Representatives, after careful consideration by the Committee on Expenditures on June 9, 1943, passed a bill to provide for the disposal of surplus

property, except land, the buildings and improvements thereon, and war plants. That bill was reported by the proper Senate committee in February 1944, after having been amended, and has never been considered by the other body. The bill we passed provided primarily for the disposition of normal surplus properties that had vastly increased under our emergency organizations. In that bill, the Members will keep in mind, we provided for a committee composed of Senators and Representatives to study the question of war surpluses and promptly report, recommending appropriate legislation. The Senate committee undertook to make provision, in reporting that bill, for the immediate disposal of war surplus properties, and with all deference, in my humble judgment, the provisions were inadequate.

We are considering this bill today, in August 1944. It might be well to keep in mind that provision was made for the disposal of surplus war properties in the First World War, in May 1918, and as a result of the legislation then passed by the Congress there were disposed of in 4 years following the war, properties costing \$3,750,000,000, at a recovery to the Treasury of approximately \$1,500,000,000. Surpluses are piling up. Much property is becoming obsolete. So the President of the United States issued an Executive order in February 1944, establishing the Surplus Property Administration. That Surplus Property Administration has been functioning under the Executive order. The pending bill is to implement the bill passed by the House and now reposing in the Senate; to implement the best parts of many bills that have been introduced in the House and in the Senate; to give consideration to all of the hearings by various committees, and to embrace the recommendations of the very capable Administrator, Mr. W. L. Clayton. There is not any provision in the Executive order under which he operates, nor is there any provision in this bill that will repeal or interfere with the very excellent work that is now being done by the Director of the Budget in inventorying, standardizing and transferring from one agency to another, surplus property, always with reimbursement to the Treasury.

It will be kept in mind that following the First World War when we made no adequate provision for the disposal of war surpluses, there was transferred to Government departments property aggregating \$325,000,000 without any reimbursement whatsoever to the Federal Treasury.

Much has been said about an additional bureaucracy. Very shortly after his appointment, Mr. Clayton was called before committees of Congress. I was struck with his testimony before our committee. He went into this matter rather exhaustively and he has been considering it for the past year and a half or 2 years. Unlike most administrators or bureaucrats, Mr. Clayton when he was called before the committees of Congress shortly after his appointment said he was not prepared to make recommendations, that he wanted to study the

problem, that he wanted to utilize the experiences of all the Government agencies in the disposal of property, that he wanted to utilize all of the constructive suggestions that had been made by the various agencies of the United States and the various bills introduced; and so for months he declined to make recommendations but studied the problem. Finally he came before the Committee on Post-war Planning about June 16, 1944, and submitted to that committee a bill for the disposal of surplus property. He testified before that committee as he has since testified before other committees, and I call attention to this significant fact: That this new administration with vast and complex powers has been operating at a minimum cost with a staff of approximately 50, and has been utilizing the agencies of Government in the handling and disposal of surplus property.

In this day and during this war when one agency after the other has been established and within a few days of their establishment Congress is asked to appropriate millions and millions of dollars in some cases, I was profoundly impressed that the Administrator appointed by the Chief Executive, under the Executive order, had gone at this matter in a most constructive way. The purpose is to dispose of surplus property. I was impressed by the argument of my good friend, the gentleman from Massachusetts [Mr. GIFFORD]. He said we wanted to avoid the establishment of additional bureaus. I submit to you, Mr. Chairman, that this is the outstanding example, and I should like to say in this connection on my own responsibility, probably the sole example of where an additional administration that is absolutely imperative to protect the taxpayers of the Nation has utilized existing agencies and existing institutions without asking for the multiplication and establishment of others. The purpose is to dispose of Government surpluses. I wish we might separate and have permanent legislation for the disposal of normal Government surpluses. We gave careful consideration to that question, Mr. Chairman. Practically all of this property has been acquired during the multiplication of executive agencies during and before the war, and practically every department of the Government has asked for additional appropriations under the guise of "winning the war." After thoughtful consideration the committee came to the conclusion that it was difficult to ascertain where normal property ended and surplus war property began, so the theory of this legislation is that the Administrator for the time being, for the period of 3 years, shall have supervision and control over the disposition of all surplus Government property. As pointed out by the President of the United States in his Budget message for 1945, the experience gained in handling the enormous surplus property incident to the war should be of vast and beneficial worth to us when we plan for permanent surplus property legislation following the war.

The method is to authorize an Administrator with broad objectives and broad policies, and general discretion.



Throughout this bill the Congress of the United States is mentioned not once but several times. Congress made the appropriations for the departments of Government for acquiring this property. The Administrator is required to report to Congress. Something has been said about the bill as reported by this committee. It represents the best features of the many bills that have been introduced in Congress both in the other body and in the House on which hearings have been conducted. It represents the experience of the Administrator as a result of his studies, and it represents the amendments of the Committee on Expenditures, on which there are such members, if you will pardon a personal reference, as the distinguished gentleman from Missouri [Mr. COCHRAN], who has been on that committee for some 20 years and who probably has a familiarity with the Government establishment and Government institutions that few men in this House possess. This bill is temporary; it is limited to 3 years.

I was impressed by another thing. A Member on the minority side suggested that the term of the Administrator be made coextensive with the 3-year life of the bill. The Administrator, a great executive coming up from the grass roots as he has come, one of the most successful businessmen in the United States with varied experience, responded substantially:

The bill you have under consideration fixes the term at 2 years. If I am to be the Administrator, I am willing to stand on my record; and if my record does not warrant a reappointment, I do not desire to continue in the office.

The bill provides for an Administrator. Some organizations and thoughtful men have suggested a board. Let me say that we have a single Chief Executive of the United States. We tried divided responsibility in war in the First World War for a while. We now have a commander in chief in every war theater. We have tried a division of authority. We have tried commissions in government. Personally I prefer the single executive authority with discretion and responsibility. We have the Interstate Commerce Commission. Generally we hear about the Chairman of that Commission. It would be difficult to name individual members.

We have the T. V. A. and we hear about the Chairman of that agency. It might be that many Members of the House cannot give the names of the other two members of that Authority. This is a big problem. If we were to appoint an administrative board, that board in the last analysis would have to function through an administrator. I prefer an administrator responsible to the Congress, making reports to the Congress, an administrator whose appointment must be approved by and with the advice and consent of the Senate. He has to reach conclusions quickly. He has to be a man of broad experience. If one man can be the Commander in Chief of our Army, the President of the United States, if one man can have the final say when it comes to the disposal of the manpower of our Nation, if one man is

the executive in large industrial and commercial enterprises and banking institutions, I believe that the Members of Congress should provide for an administrator. Personally, I prefer a single administrator.

Now, as to policy. The war is not over. Fighting is under way. We do not know just what is going to transpire. It is rather difficult to provide limitations and restrictions in this bill. There have been material amendments made by the committee. Questions have been asked regarding that matter. Practically every section of the bill as introduced was amended. One entire section was eliminated. Something has been said about material amendments. A material amendment in this bill eliminates the provision in it when it was introduced that would authorize the disposal agency to deduct from the proceeds of the sale the expenses of handling and disposing of the particular property. We wanted the Congress to retain the purse strings. We wanted those agencies to come to the Congress for the money needed in connection with the handling and disposal of that property. So, in my judgment, that is a material amendment and that amendment was made by the committee in two sections of the bill.

The policy and the program of this bill on the one hand must provide a large discretion, not unlimited, not uncontrolled, but with definite objectives, with definite policies, to be followed by the Administrator, and, on the other hand, in the interest of orderly disposition we must avoid restrictive regulations that would defeat the very purposes of the bill and that would hinder and delay disposition of the property and that would be against the public interest. For instance, we provide in section 1 of the bill that the domestic economy shall be considered, that small business shall be considered, that wide distribution shall be provided, and we provide that existing agencies shall be used in the disposal of the property in connection with the disposal provisions of the bill and we provide that small business plants, and they are mentioned not once but twice, shall be given every consideration. There are those who would undertake to further restrict in the interest of small business and in the interest of individuals by qualifying amendments.

I will give you an illustration. The committee undertook to provide in the bill as reported an enlargement upon the language to give the original owners the opportunity to acquire their land. The more I have studied the problem, the more I have gone into it, the more thoroughly convinced I have become that by one restriction or limitation or clause it would be impossible to promote even that worthy objective. We have acquired some 70,000 tracts of land. In some cases tracts have been acquired and a large plant has been constructed thereon. If we put a restrictive provision in here as to the disposition of that land, whether it be a lot or a half acre, to the original owner, we would prevent the sale of the entire plant, in many cases, until the owner had agreed that the plant might be sold. It would hamper rather than

help. I could give you other illustrations. No man in this House is more attached to land than I am. I want to help the original owner where it can be restored. But highways have been constructed, camps have been built; the old homestead is gone, never to return, and it is difficult to establish or even find the lot or the few acres involved. Homes have been established elsewhere. Administratively restrictions are most difficult. A policy will be more satisfactory.

As I stated, the bill would promote small business concerns, and they are mentioned in the objectives, they are repeated twice in the policies of the bill. We want to give little units the opportunity to acquire on the same basis as big units. It is definitely provided for in the policies of the bill.

I should like to say in this connection that in the consideration of the bill it is well to keep in mind the policies. There is no provision for donation to any governmental establishment or any agency or to any private or public institution of any kind of property of value. There is provision for use by Government institutions and for the transfer of property to schools and State subdivisions that has no commercial value. Throughout the hearings there have been applications by schools, by colleges, by hospitals, by the public health, for donation of property to those institutions, but after careful consideration it was the opinion of this committee that those questions are best answered keeping in mind that under existing laws that are not repealed and that are specifically recognized in this bill, when that legislation has been passed for the Army or for the Navy to lend to colleges or to advance to colleges or institutions property for training, that property may continue and will not be interfered with. But, as I stated in the beginning, we will save ourselves much trouble if we keep in mind that as the Representatives, even the trustees, of the people of the United States, this large property has been acquired by the savings of widows and orphans by borrowing from the people and that this property by and large should be disposed of for the benefit of the people under the objectives and policies laid down in this bill.

I would like to say another thing. Generally under the terms of this bill, and I want to emphasize this point, if there are any surpluses that may be transferred from one Government department to another where it is needed for their functioning, that Government department will pay for it out of the appropriations that they have to come to Congress and justify. There is no provision for donation to a Government agency. If there is no provision for donation to a Government agency, how can you as a trustee and Representative, or how can I, justify the donation of that property to any school, charitable, or other institution?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman 15 additional minutes.



Mr. WHITTINGTON. Mr. Chairman, with that explanation of the objectives and policies contained in this bill I believe that a number of proposed amendments to make donations to schools and conservation districts, have been answered.

Secondly, when the property cannot be transferred to Government agencies and it has got to be paid for by the Government agencies, then it can be transferred to States and local subdivisions and schools and public agencies and if not used by them, it is open to purchase by any person. I would like to say that in the disposal of surplus property the objective and policy is not to disrupt free enterprise, and not to disrupt our domestic economy. The policy is to aid the taxpayer in the public interest.

Something has been said about a provision against dumping. The committee considered that matter. The Administrator conferred with the State Department and said that he could provide against that in the sales and that that would be his policy. Dumping is being permitted, under the policies of the bill.

Something has been said about the appointment of advisory committees. We have an advisory board composed of the heads of governmental agencies.

That is proper. That is where the surplus is. Under the provisions of this bill the Administrator has the power to provide for consulting and advisory committees in all branches of industry and in all branches affecting any of the properties to be disposed of. I know of no better way to judge the future than comparing it with the past. The testimony shows that when it came to the disposal of trucks recently—

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Not just yet.

Mr. COX. The gentleman will be more helpful in answering questions that Members might have to propound when he reaches a point permitting interruption.

Mr. WHITTINGTON. I have so stated, I will answer any question when I complete my general statement, that any Member may desire to propound, as far as I am able.

As I was about to state, those committees have been established. If we provide for a committee of seven members, say, an advisory committee, immediately you are in trouble. Labor wants to be represented, industry wants to be represented, banking wants to be represented, and schools and eleemosynary institutions want to be represented. Our study convinces us that the wisest thing to do is to give the Administrator the power that he is now exercising and that he is now utilizing in the establishment of these consulting committees under the provisions of the bill.

The disposal of plants presents a larger problem. Congress provided for their construction. In a few words it left it to an agency to provide the plants, and it is to be left to some agency for their disposal. There will be wide publicity and difficult problems. We put our dollars into this war. We said we were going to prevent the profiteering of

the munition makers who manufactured our guns in former wars. That property should be disposed of to prevent monopoly, in the public interest, and after most thorough and careful investigation by the Administrator. We believe in all the circumstances that if one agency could establish it, one agency under the policies and objectives laid down can best dispose of it.

We made two exceptions as to the disposal of plants by the administrator in the bill as reported. One of these has to do with plants for synthetic rubber, and the other, aluminum. Those two exceptions grew out of the fact that there has been widespread public criticism with respect to aluminum and the rubber program. The Administrator, Mr. Clayton, said he preferred the Congress of the United States—inasmuch as rubber would very largely enter into the peace negotiations—establish a policy. Thus it is with respect to aluminum. The aluminum trusts and monopoly have been criticized and denounced. Congress is to determine as to their disposal.

There are other properties that will have to be disposed of involving competition, such as oil with coal, foods with the products of the farms, but it must be disposed of under the policies laid down to prevent monopoly, to provide for widespread distribution, and ultimately for the benefit of the taxpayer and consumer; domestic production and manufacture must be conserved.

I am thus undertaking to cover the principal provisions of this bill. With your permission now may I say questions were asked about the establishment of retail stores and the utilization of channels of trade. I have covered those questions.

Questions were asked about mark-up price. The Administrator can mark up, and probably will, but with 2,000,000 items of property to dispose of the mandatory requirement of mark-up might hinder him on many occasions that would not occur to us. It would be well to leave that discretion to the Administrator.

I have covered the disposal of land. I know of no better yardstick than a reasonable value, giving the original owner the opportunity to repurchase. No better has been suggested, in my judgment. He might establish retail stores. He might do that, but the objective of this bill is that the domestic economy and the existing trade channels shall be utilized. He might sell a truck to a farmer, but the urge has been, time after time, that if there is one class of our population, there is one business industry that has been discriminated against more than any other, it is the automobile dealer, and the truck dealer. Under the provisions of this bill I, as a farmer, now must go to my automobile dealer to buy a truck or a car. We now are not undertaking to make over our institutions or our economy but utilizing existing channels of trade in the disposal of this property.

Questions were asked as to the meaning of section 7. My good friend the gentleman from Colorado asked a num-

ber of questions. The gentleman from Illinois [Mr. DEWEY] thought it was not integrated. If you will turn to section 7 (a) of this bill you will find that it has to do with the disposal of property for war production.

If you will turn to the bill now I will try to answer any questions that you have after I make this further statement.

Section 7 (a) has to do with prices that are set for the disposal of property for war production. Under section (b) the owning agency may dispose of certain classes of property. It gives the Army camps the privilege of disposing of garbage. It gives the Army or other governmental institutions the privilege of throwing away a chair that is broken all to pieces. It gives the T. V. A. the privilege of disposing of the power that it generates. Generally section 7 is to be construed in accordance with section 10 (c) and section 21 of the bill.

I should like to say one thing more in closing. In summary this bill provides for objectives against dumping, in aid of small business, in the encouragement of wide distribution, in the prevention of anything that would interfere with our national defense; provides for the broad and equitable distribution of all classes of property; integrates the objectives in section 1 with the policies in section 11 of the bill. As I pointed out, in section 11 the committee amended the bill, keeping in mind that if property was sold abroad and were reimported, it would interfere with our domestic manufacture.

The Administrator has the right to prohibit that reimportation, keeping in mind that we want to give the small businessman, the small plant, the individual, the chance to acquire. We have said that it must be upon equal terms with the larger competitors. We have provided for the small plants of the country, emphasizing that provision must be made for small business concerns, farmers, small industries, and existing channels of trade. We want to encourage and develop our foreign markets for the benefit of the manufacturers as well as the cotton and wheat growers. We want to dispose of our surplus properties so as to prevent restraint of trade and without unduly disturbing our domestic economy. We do not want foreign sales to be brought back into this country. We do not want to see anything done that will prevent reemployment, so we have emphasized, so far as possible, that the veterans should be given preference, and that reemployment should be provided for. We have made that possible by broad policies and broad objectives. We have thus restricted discretion of the Administrator. We have undertaken to say, finally, that this law is in addition to and supplementary to all existing law, and that it does not repeal any law for the disposition of any property by any governmental agency, if they are authorized to contribute it to a college or a school or any other institution. But it does provide, as it ought to provide, for an orderly, constructive disposition of that property by leaving it not to a hundred different agencies, not to 12 departments, but to coordinated agencies that



will have the disposition of all surplus property, no matter in what department that property may be found and declared.

#### ANALYSIS OF BILL

I have pointed out the principal provisions of the bill. I have emphasized its objectives and its policies. I have discussed the merits of the bill. I now make an analysis of the bill section by section. Under leave to extend my remarks I can do no better than to include in my remarks the very helpful and constructive explanation of the provisions of the bill contained in the report of the committee submitting the bill under consideration, as follows, to wit:

#### OBJECTIVES OF BILL

Section 1 of the committee amendment states that it is the object of Congress to facilitate the orderly disposal of surplus property so as to—

- (1) Assure its most effective use for war and national defense purposes;
- (2) Facilitate transition from wartime to peacetime production and employment;
- (3) Promote production, employment, and utilization of the country's productive capacity and resources;
- (4) Avoid dislocations of the domestic economy and of international economic relations;
- (5) Discourage monopolistic practices and preserve and strengthen the competitive position of small business;
- (6) Foster wide and equitable distribution of surplus property;
- (7) Realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

#### DEFINITIONS

Section 2 defines terms used.

The term "Government agency" means an executive department or independent agency in the executive branch of the Government, and also any corporation wholly owned by the United States, either directly or through one or more corporations.

The term "owning agency" when used with reference to any property means the Government agency having control of the property not solely as a disposal agency.

The term "disposal agency" means a Government agency designated under section 8 to dispose of one or more classes of surplus property.

The term "property" means any interest owned by the United States, in real or personal property, of any kind, wherever located.

The term "surplus property" means property which has been determined by the owning agency to be surplus to its needs and responsibilities.

The term "contractor inventory" means (1) any property related to a terminated contract with the Government or to a subcontract thereunder; (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of amounts needed to complete the contract; and (3) any property which the Government is obligated to take over under a contract as a result of a change in specifications.

The term "care and handling" is defined as including, among other things, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

Other terms defined are "option," "person," and "Administrator." "Administrator" means the Surplus Property Administrator whose office is created under section 3.

#### SURPLUS PROPERTY ADMINISTRATOR

Section 3 establishes a Surplus Property Administration at the head of which is to be a Surplus Property Administrator. He is to

be appointed by the President with the advice and consent of the Senate and receive compensation of \$12,000 a year. His term of office is 3 years.

The Administrator is authorized to appoint a Deputy Administrator, Assistant Administrators, special assistants, and certain experts without regard to the civil-service laws and Classification Act of 1923. Other personnel of the Administration are to be appointed in accordance with such laws and such act.

The Administrator is directed to perform his duties, so far as efficient administration will permit, through the personnel and facilities of the established Government agencies.

The Administrator is to have general supervision, as provided in the committee amendment, over the care and handling and disposition of surplus property, and over the transfer of surplus property between Government agencies.

#### SURPLUS PROPERTY ADVISORY BOARD

Section 4 creates a Surplus Property Advisory Board with which the Administrator is directed to advise and consult. The Advisory Board is composed of—

- (1) The Administrator, who is made chairman.
- (2) The Secretary of State.
- (3) The Secretary of the Treasury.
- (4) The Secretary of War.
- (5) The Secretary of the Navy.
- (6) The Attorney General.
- (7) The Secretary of Commerce.
- (8) The Secretary of the Interior.
- (9) The Secretary of Agriculture.
- (10) The Secretary of Labor.
- (11) The chairman of the board of directors of the Smaller War Plants Corporation.
- (12) The Chairman of the United States Maritime Commission.
- (13) The Chairman of the War Production Board.
- (14) The Administrator of the War Food Administration.
- (15) The Administrator of the Federal Works Agency.
- (16) The Chairman of the Civil Aeronautics Board.
- (17) The Administrator of the Foreign Economic Administration.

#### REPORTS TO CONGRESS

Section 5 requires that within 3 months after enactment, and thereafter in January, April, July, and October of each year, the Administrator submit to Congress a progress report on activities under the act.

This section also requires the submission to Congress of all regulations of the Administrator within 30 days after their publication in the Federal Register.

#### DECLARATION OF SURPLUS PROPERTY

Section 6 directs each owning agency continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of performing his duties under the committee amendment, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator is directed to report that fact promptly to Congress.

Each owning agency is directed to promptly report to the appropriate disposal agency all surplus in its control which it does not dispose of under section 7.

#### DISPOSITION BY OWNING AGENCY

Section 7 deals with the kinds of property which may be disposed of by owning agencies. Subject only to regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dis-

pose of any contractor inventories for the purpose of war production.

Except as their authority so to do may be restricted by regulations of the Administrator, the owning agencies are also authorized to dispose of—

- (1) Any property which is damaged or worn beyond economical repair;
- (2) Any waste, salvage, scrap, or other similar items;
- (3) Any products of industrial research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by the owning agency;
- (4) Any contractor inventory in the control of the owning agency; or
- (5) Any class or type of surplus property, designated by the Administrator, in the control of the owning agency.

#### DISPOSAL AGENCIES

Section 8 provides that the Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies and prescribe the class or classes of surplus property to be disposed of by each such agency. The Maritime Commission is made the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and the disposition thereof is to be made in accordance with the Merchant Marine Act of 1936 and other laws authorizing the sale of such vessels.

When any surplus property is reported to it, the disposal agency is given responsibility and authority for the disposition of the property, and for its care and handling pending its disposition.

The Administrator is given power, by regulations, to prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority with respect to dispositions and care and handling.

#### TRANSFERS BETWEEN AGENCIES

Section 9 directs the Administrator to establish procedures to facilitate the transfer of surplus property to each Government agency for the performance of its functions, and directs each agency to make all possible use of surplus property so as to avoid unnecessary commercial purchases. Inter-agency transfers are to be made by disposal agencies at the fair value of the property as fixed by them, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### METHODS OF DISPOSITION

Section 10 (a) of the committee amendment authorizes any agency disposing of property under the act to do so, subject to the other provisions of the act, by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper. Section 10 (d) makes any instrument, executed by or on behalf of an agency, purporting to transfer title to property under the act, conclusive evidence of compliance with the provisions of the act, insofar as the title of any bona fide purchasers is concerned. These two provisions are designed clearly to assure to purchasers that agencies selling property of the Government have full authority to do so, and that the purchaser's title cannot be invalidated because of any failure of a Government agency to comply with a requirement of the act. These enabling provisions clarify the law on the subject, and the committee considers them of major importance.

Section 10 (b) permits an agency, if it finds that property of which it is authorized to dispose has no realizable commercial value, to donate the property to tax-supported institutions or nonprofit educational or charitable organizations, or, if that is not feasible, to destroy or otherwise dispose of it.



Section 10 (c) authorizes the Administrator to prescribe policies governing prices and other terms and conditions of dispositions of property under the act.

#### POLICIES GOVERNING DISPOSITION

Section 11 directs the Administrator, in formulating regulations, to be guided by the objectives stated in section 1, and to give effect to the following policies, to the extent feasible and in the public interest:

- (a) To facilitate interagency transfers.
- (b) To afford tax-supported, educational, charitable, and eleemosynary institutions, States, Territories and their political subdivisions, the District of Columbia, and co-operative organizations, and opportunity to fulfill their legitimate needs.
- (c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.
- (d) To foster post-war employment.
- (e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation and to employ other appropriate means to give effect to this subsection.
- (f) To afford former owners of surplus real property an opportunity to reacquire it.
- (g) To encourage mutually beneficial foreign trade relations and develop foreign markets.
- (h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.
- (i) To prevent the making of excessive profits.
- (j) To realize the highest obtainable return for the Government consistent with the stated objectives and policies.

#### DISPOSITION OF PLANTS

Section 12 of the committee amendment provides that the act shall not impair the antitrust laws or limit their application to purchasers of property, and requires that the Attorney General be furnished with all pertinent information.

Section 13 prohibits the disposal of any surplus Government-owned synthetic rubber or aluminum plant, except by lease for a term not exceeding 5 years, until the Administrator shall have submitted to Congress a detailed plan for the disposal of that type of property. If Congress takes no action within 6 months after submission of the report, the Administrator may proceed in accordance with the plan submitted.

#### REGULATIONS

Section 14 of the committee amendment directs the Administrator to prescribe regulations to effectuate the provisions of the act, and directs other agencies to carry out his regulations and to issue necessary regulations for that purpose. All regulations must be published in the Federal Register.

#### GENERAL PROVISIONS

Section 15 (a) requires the submission by agencies to the Administrator of such information as to surplus property as he may require, and information as to other property, to the extent that the agency deems consistent with national security.

Section 15 (b) permits agencies to execute all documents and take all other action necessary or proper to dispose of property or otherwise carry out the provisions of the act, and, in the case of surplus property, requires them to do so as directed by the Administrator.

Section 15 (c) provides that Government employees complying with the regulations shall be liable with respect to dispositions only for their own fraud, and shall not be accountable for the collection of any purchase price determined by the responsible agency to be uncollectible.

Section 15 (d) permits responsible agencies to take such action for the care and handling of property and for the completion of semifabricated property as they deem necessary to effectuate the stated objectives and policies.

Section 15 (e) requires disposal agencies to keep full records available for public inspection.

Section 15 (f) provides that the act shall not impair or modify any valid contract provision without the contractor's consent.

Section 15 (g) provides that former owners of surplus agricultural land acquired after July 1, 1940, shall have a reasonable time to reacquire them at not more than the price paid by the Government, except where the value has been increased by the Government. Otherwise sales are to be made in family-sized parcels, to persons who will live on and cultivate the land, only one parcel to an individual or family.

#### DISPOSITION OF PROCEEDS

Section 16 requires proceeds of transfers or dispositions to be covered into the Treasury as miscellaneous receipts, with the following exceptions:

1. Where property was acquired with reimbursable funds, the net proceeds of sale shall be credited to the reimbursable fund.
2. Agencies disposing of property may deposit an appropriate amount of the proceeds in a special account with the Treasurer of the United States, to be withdrawn for refunds to purchasers when a disposition is rescinded or does not become final, or for payments for breach of warranty.
3. Contract clauses authorizing the crediting to the contract price of the proceeds of sale of property in the custody of the contractor or subcontractor are to be observed.
4. Proceeds other than United States legal tender are to be converted into legal tender by the disposal agency, which meanwhile may retain, preserve, and manage them. Disposal agencies may also take appropriate action with respect to mortgages, liens, or other security acquired or retained by them.

#### USE OF APPROPRIATED FUNDS

Section 17 (b) contains the customary provision authorizing appropriations for administering the act. No legislation is needed to make available to each Government agency, for the disposition of property and for its care and handling, and for the completion of semifabricated property, funds already available to it for such purposes, but section 17 (a) authorizes the use by an agency for such purposes of funds appropriated, allocated, or available to it for the purpose of production or procurement of such property. No legislation is needed to authorize a Government agency to use, in payment for transfer to it of surplus property, funds available to it for acquisition of property of the same kind.

#### DELEGATION OF AUTHORITY

Section 18 (a) authorizes the Administrator to delegate to any Deputy Administrator or Assistant Administrator, any authority or discretion conferred upon him, and to delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

Section 18 (b) authorizes the head of a Government agency to delegate, and to provide for successive redelegation of, any of his authority and discretion under the act to any subordinate, or, with the approval of the Administrator, to any other Government agency.

Section 18 (c) provides for the joint exercise by two or more Government agencies of authority and discretion conferred upon each individually under the act.

#### APPLICABILITY

Section 19 provides that all policies and procedures relating to surplus property, prescribed by the Surplus War Property Administration established by Executive Order 9425 or by any other Government agency, in effect upon the enactment of the act, shall, if not inconsistent with the act, remain in force until superseded by regulations under the act.

Section 20 (a) provides that the act shall not limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

Section 20 (b) repeats that the act is applicable to property within or outside the United States. It authorizes the Administrator, when he deems any provision of the act would obstruct the efficient and economic disposition of property located outside the continental United States or in Alaska, to exempt dispositions of such property from such provision.

Section 21 (a) of the committee amendment provides that the authority conferred by the act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent with the act. The act is not to impair or affect any authority for the disposition of property under any other law, but the Administrator may prescribe regulations for the disposition of surplus property under such other law just as if the disposition were under this act, if he deems such action necessary to effectuate this act.

Section 21 (b) of the committee amendment provides that the act is not to impair or affect—

- (1) The Emergency Price Control Act of 1942, as amended;
- (2) The Stabilization Act of 1942, as amended;
- (3) Section 301 of the Second War Powers Act, 1942, relating to allocations and priorities;
- (4) The Lend-Lease Act, as amended;
- (5) Any act supplemental to any of the foregoing;
- (6) Any law regulating the exportation of property from the United States.

#### EFFECTIVE DATE AND EXPIRATION

Under section 22 of the committee amendment the act (effective from the date of enactment) will expire at the end of 3 years following the date of cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

#### SEPARABILITY

Section 23 of the committee amendment contains the usual separability provision.

#### SHORT TITLE

Section 24 of the committee amendment provides that the act may be cited as the "Surplus Property Act of 1944."

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I wish first to compliment the gentleman on a most comprehensive and comprehensible statement on this vast question; then I have a request. I wonder if the gentleman would not be willing to place in his



remarks the best table he can compile which will show the amount and nature of the surplus property? The gentleman has mentioned certain items and stated that there are great differences of opinion as to how much they amount to. I feel sure that the entire membership would be very much interested in the gentleman's best judgment as to the details and the items, which the gentleman can secure from records he has; but they are not in the report and, I find, not in yesterday's RECORD.

Mr. WHITTINGTON. May I say in that respect that we worked diligently on this bill. With a thousand plants, it would be hard to itemize them. We have given the aggregate amount. With 5,000,000 acres of land and 20,000,000 more in the public domain, land that belongs to the people, we can only deal in general summaries. I will do my best to enlarge upon the matter and give categories in the estimated totals.

Mr. VORYS of Ohio. If the gentleman will do his best, it will be good.

Mr. WHITTINGTON. I will try to enlarge on the matter if time permits.

The gentleman from Ohio [Mr. VORYS] very kindly suggested that I include in my remarks an estimate of the probable Government surpluses on hand at the end of the war. As I have stated, various estimates have been made. In the beginning of my remarks I stated that a reasonable estimate of the surplus property that would be available to civilians was around \$15,000,000,000. I further estimated that we had invested in war plants \$15,000,000,000. I stated that we had acquired some 5,000,000 acres of land at a cost of one-third of a billion dollars for the War Department, and that the Navy Department had acquired some 200,000 acres of land at a cost of \$60,000,000.

I have been furnished with an estimate by a responsible Government official as of January 7, 1944, showing an estimated surplus of war property on hand at the end of the war of the various categories mentioned, in this country and abroad, aggregating about \$112,000,000,000. Under leave to extend, I include this estimate as a part of my remarks, as follows:

*Summary as of Jan. 17, 1944, of estimates of Government-owned war-end surpluses*

[Value in millions of dollars]

	For- eign	Do- mes- tic	Loca- tion not fixed	Total value
Facilities (excluding land):				
Nonindustrial:				
Airfields, etc.		4,111		23,784
Troop housing		4,605		
War housing		2,717		
Other	3,045	9,306		
Industrial:				
Buildings, etc.		7,900		16,554
Machinery and equipment		8,094		
Machinery in services		560		
Aircraft:				
Planes, all types			20,000	26,000
Plane parts and spares			6,000	
Ships (Maritime only):				
Liberty			2,500	10,000
Victory			2,400	
Standard			2,130	
Transport			630	
Tankers			1,970	
Other			430	

*Summary as of Jan. 17, 1944, of estimates of Government-owned war-end surpluses—Continued.*

[Value in millions of dollars]

	For- eign	Do- mes- tic	Loca- tion not fixed	Total value
Military (Army only):				
Guns and fire control	3,000	1,000		17,810
Ammunition	3,310	1,000		
Combat vehicles	3,000	1,000		
Radio equipment	2,450	850		
Radar equipment	1,650	550		
Potential civilian goods:				
Finished products:				
Trucks, cars, tractors, etc.	2,650	1,350		7,450
Railroad equipment	350	50		
Photo equipment and supplies	75	21		
Precision instruments	60	30		
Medical and dental	200	64		
Food products	1,125	750		
Clothing (unissued)	450	275		
Raw materials:				
Petroleum products	1,100	1,000		4,588
Government stock piles		1,428		
Other		1,000		
Materials in process		3,700		2,700
Miscellaneous equipment and supplies	1,126	1,126		2,252
Total	23,651	52,487	36,000	112,138

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. I, too, want to commend the distinguished gentleman from Mississippi on his most eloquent and very fine explanation of a bill in which every American citizen is interested today. The gentleman indicates that the bill on which we are going to act will protect the taxpayers who have been bearing the expense of this great adventure in this war. I call the gentleman's attention to the fact that he also indicated that he is opposed to foreign cartels and monopolies, and believes that whatever is to be done should be done to the best interests of the taxpayers. The gentleman indicated that some exception will be made in regard to rubber, in which we have an investment of over \$750,000,000. The Rubber Director recently made his last report, in which he said we will produce approximately 865,000 tons of synthetic rubber in 1944. It has come to our attention recently that the representatives of the natural rubber governments are very much interested in our synthetic rubber plants. The information I have received is that they are anxious that we junk these synthetic rubber plants, which have made us self-sufficient as respects rubber, and again surrender the rubber market of America to foreign cartels. What did the gentleman mean by saying that some exception will be made in connection with rubber, and that it would have some relationship to the peace program?

Mr. WHITTINGTON. I regret I did not make it clear. I said that under the terms of this bill the Administrator would be authorized to dispose of all plants with two exceptions. He is not authorized to dispose of synthetic-rubber plants or aluminum plants. He is required to make reports to Congress with respect to those plants, and there are

many of each. Congress then has the responsibility and the opportunity to carry out the implications of the gentleman's remarks, and it is for Congress to make final provision for the disposition of the synthetic-rubber and aluminum plants.

Mr. STEFAN. How does the gentleman himself feel regarding the disposition of our synthetic-rubber plants?

Mr. WHITTINGTON. I think they ought to be conserved in the interest of the people of the United States. I think frankly that there are other plants that are important. I can appreciate the attitude and the recommendation of the Administrator with respect to synthetic rubber. There has been a lot of agitation and criticism with respect to aluminum. The Administrator wants to give Congress an opportunity there to provide for disposal of rubber or aluminum. For that reason, by making the statement that he was authorized to dispose of all plants except those two, the answer is that Congress will provide for them.

Mr. STEFAN. I should like for the gentleman and his committee to make an exception with regard to these specific plants, such as synthetic rubber, because, in my opinion, the representatives of the international cartels are here today trying to junk that investment that we have.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANDOLPH. Mr. Chairman, I yield 10 additional minutes to the gentleman from Mississippi.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman believe it would be advisable for this country to find out just what condition the rubber-producing countries of the world are in after this war before we start giving away or selling these synthetic rubber plants?

Mr. WHITTINGTON. I anticipated as best I could the gentleman's question by saying that the question of the disposal of rubber would largely enter into the peace negotiations, in my judgment. I agree with the suggested implication of the gentleman's question.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Louisiana.

Mr. McKENZIE. I fail to find in the bill any prohibition against the destruction of property.

Mr. WHITTINGTON. I am glad the gentleman has asked that question. The only provision that is made for donations is that any property that is declared to be of no commercial value may be contributed to a Government agency, or it may be contributed to a State, or a legal subdivision thereof or schools. That property is the only property that may be given away. It may be destroyed. There is no provision for the shavings from steel to be transferred, so they may be destroyed. However, there has been much criticism of the destruction of property by the Army or other governmental institutions, and from time to



time I shared in that criticism. To meet that criticism, we have agreed upon an amendment that before any property is destroyed by any governmental agency there must be public notice of the intention to destroy.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. COX. Is the gentleman certain he was accurate in the statement made a few minutes ago to the effect that the pending bill does not suspend the operation of any existing law with respect to the power of any existing agency to dispose of surplus properties?

Mr. WHITTINGTON. I did not make that statement in the first place.

Mr. COX. The gentleman said that it repealed no law, but does it not suspend the operation of any law which may be in conflict with its provisions?

Mr. WHITTINGTON. In section 21 it does this, and I quote:

The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith.

Mr. COX. But does not the functioning of any existing agency with respect to the disposition of surplus property remain subject to the supervisory control of the Administrator?

Mr. WHITTINGTON. The laws remain in effect, but the Administrator prescribes the regulations as authorized in section 21 (a).

Mr. COX. I know, but any authority that may be by the Administrator delegated to any existing agency with respect to such property may by the Administrator be reversed or repealed. Is not that true?

Mr. WHITTINGTON. Absolutely, the method of disposition, the regulations are by the Administrator, under all laws, but the fact of disposition remains as provided by law. May I repeat what I said. If, as is the case in the act of 1936 with respect to the Army, the act of 1936 with respect to the Navy, and the act of 1927 with respect to the Aeronautics Division, there are provisions in existing law whereby a property that is obsolete as far as the Government is concerned, or other properties therein authorized, may be loaned or advanced or contributed to educational institutions, such provisions are not repealed by this bill because it states—

This act shall not impair or affect any authority for the disposition of property under any other law.

In other words, this bill provides for the disposition of property as Congress has heretofore provided, but the method of disposition and the actual details of handling it are left to the Administrator.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. PACE. What about the numerous provisions that Congress has enacted prohibiting the dumping of agricultural commodities? Would this bill, if enacted, suspend those numerous prohibitions with regard to the dumping of so much cotton and of so much wheat

at a price? The gentleman said it was not intended that this bill would suspend all those laws and prohibitions.

Mr. WHITTINGTON. It does not. I did not say so. On the contrary, many questions were asked not only with respect to wheat and cotton, but land, home owners, and so on. It will be kept in mind that this bill only deals with properties that are declared surplus by the institutions and unless some property within the definition of this bill is declared surplus, there will be no disposition of it, and that property held by the Commodity Credit Corporation and by the other institutions will continue to be so handled and there will be no dumping.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I will be glad to yield.

Mr. COX. If the stocks of wheat and other farm commodities are declared to be surplus by the Government agency it immediately falls under the jurisdiction of the Administrator?

Mr. WHITTINGTON. Yes; but the declaration of surplus rests with the agency, as I have said, and other laws with respect to disposal of surpluses in such cases are not repealed.

Mr. COX. But with the right in the Administrator, if he thinks they are not making a proper declaration, to make a report to Congress?

Mr. WHITTINGTON. That is exactly right.

Mr. COX. There are coercive means of making them make a full and proper representation?

Mr. WHITTINGTON. I appreciate the gentleman emphasizing that point. I would like to repeat, this bill provides that the existing agencies of the Government shall declare surpluses. That is difficult to get done at the hands of some departments. But, as the gentleman from Georgia suggests, in section 6 (a) of this bill, after requiring them to report, that is, affirmatively requiring them to report, if the Administrator has reason to believe they are withholding surpluses, he is required to make his report to the Congress of the United States with his recommendations.

Mr. COX. Which has the effect of keeping the whole subject matter under congressional control.

Mr. WHITTINGTON. And in order that Congress may be advised, he is required to make quarterly reports and he is required to submit to the Congress all regulations that he makes on the disposal of property within 30 days after he makes them and he is required to publish them, for the information of Congress and the public, immediately in the Federal Register.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JENSEN. Is there any provision in this bill which would keep the Administrator from selling farm products below the price set by law?

Mr. WHITTINGTON. He is required to protect the economy of the country. One of the objectives here is not to interfere with our economy and to prevent

dumping and to prevent the price structure from being destroyed. You know, lots of folks are looking for bargains and these objectives and these safeguards are intended to protect the farmers, protect the manufacturers, and to protect labor. In the objectives and policies we give him broad powers within these limitations.

Mr. JENSEN. That is giving one man a lot of power. He could almost destroy the price structure of, let us say, agriculture, under that program. If he has all that power, certainly he has more power than anybody in this country has today.

Mr. WHITTINGTON. With all due deference, he would not have the power to do that.

Mr. JENSEN. I hope he would not.

Mr. WHITTINGTON. I answer the gentleman's question unhesitatingly to say we try to set forth our objectives and disposal policies, but of course you can imagine a man committing a crime or a fraud. But if he complies with these objectives there will be no destruction of our economy. Generals on the battlefields may surrender, but broad power is essential to wage war. Life is more important than property.

Mr. JENSEN. There is nothing in this bill which provides for the prosecution and penalizing of individuals or an agency that would destroy property, such as has been destroyed in the past 3 or 4 years in this war program?

Mr. WHITTINGTON. I get the gentleman's question. There is no penalty provision required because that matter was submitted to the Attorney General and to the various legal staffs, and it was decided that the existing law with respect to misrepresentation and in other regards was sufficient. If a Federal official violates this law, there is punishment provided by existing law.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MANASCO. Mr. Chairman, I yield 5 additional minutes to the gentleman from Mississippi.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JOHNSON of Oklahoma. I was interested in the gentleman's statement that no surplus property would be given away and generally I agree with that policy. But I am thinking about surplus caterpillars and trucks and bulldozers which many soil-conservation districts are clamoring for.

Mr. WHITTINGTON. I am glad to have the gentleman's question. I will say that matter was carefully considered by the committee. There were requests that we provide for donations to schools, hospitals, to the Public Health Department, to the Conservation Service, and to the Department of Agriculture, and if we had done that, in my judgment, the public interest would not have been served. The gentleman from Oklahoma is a member of the Committee on Appropriations and whenever there is any money needed by the Soil Conservation Service, the gentleman has heretofore made appropriations for the needs which they have justified, and that department would have a right to buy any of these



caterpillars with the funds that Congress has provided, but they would not have the right to have them donated and then come back to Congress and get money for the same purpose.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me for just one additional thought in that connection?

Mr. WHITTINGTON. I will be glad to yield.

Mr. COLMER. The Administrator would have authority under this bill to dispose of that property in the case that the gentleman from Oklahoma mentioned for whatever he saw fit, would he not?

Mr. WHITTINGTON. Yes; he has to fix the reasonable value of it and if it has a value and if he disposes of it, he has got to get value for it.

Mr. COLMER. But the point is under the law he has authority to give these countries and so on an opportunity to make their purchases.

Mr. WHITTINGTON. That is absolutely provided for. I repeat, the Government agencies first, local subdivisions next, and the public third.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RABAUT. I want to commend the gentleman for his fine reference to the automotive industry, but I did not get the gist of his statement as to the disposition of trucks and motor vehicles. What did the gentleman say with respect to that?

Mr. WHITTINGTON. Existing agencies will be utilized in the disposition of surplus property generally, and I think that applies to trucks and automobiles as well.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Arkansas.

Mr. NORRELL. The gentleman has stated that there is nothing in the bill now under consideration with reference to the disposal of aluminum plants.

Mr. WHITTINGTON. I beg the gentleman's pardon. I said there is no provision for the disposal of aluminum plants in this bill until and unless Congress has had an opportunity for 6 months to dispose of them as provided by the bill.

Mr. NORRELL. I would like to ask the gentleman if the committee has given any consideration to the disposal of these plants, and if so, would he mind giving us the benefit of his observations?

Mr. WHITTINGTON. I have tried to cover that as best I could. I have stated that the committee felt if there were to be any exceptions with reference to the disposal of the many, many plants it ought to be in the matter of aluminum and synthetic rubber, particularly inasmuch as the so-called great Aluminum Trust has been operating, and inasmuch as we were forced to expend large amounts to provide for aluminum and inasmuch as synthetic or other rubbers will enter into the peace negotiations.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. ROLPH. My question is along the same line as that of the gentleman from Arkansas [Mr. NORRELL] in relation to aluminum. As I understand, about 50 percent of aluminum production in the United States has been cut down and that the Government has these plants. I also understand from the testimony of Mr. Jones, when Jesse Jones appeared before the Committee on Banking and Currency, and we discussed this surplus material proposition, that he thought none of these plants should be disposed of until after the war. That is, not only with reference to aluminum, but magnesium as well.

Mr. WHITTINGTON. That is up to Congress. He is not to dispose of these aluminum plants unless Congress takes some action within 6 months as provided by this bill. No plants for war purposes generally will be disposed of until the war is over.

Mr. ROLPH. Would he have permission to do that before the end of the war?

Mr. WHITTINGTON. Only if they have been declared to be surplus plants. There would be 6 months in which to take action under the bill, after they were declared surplus.

Mr. ROLPH. Is that 6 months after the plant is closed or 6 months after the war?

Mr. WHITTINGTON. Six months after the submission of the Administrator's report and after the bill goes into effect. No reports will be submitted before the war is over generally or no plants generally will be surplus until the war is over.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I would like to say before the gentleman propounds his question, with respect to the disposal of lands, airfields, and similar plants, there would be no airfield disposed of; there will be no institutions or plants declared as surplus until and unless the affected agencies say that they are surplus, and then if the airfields have been so declared, I certainly think, and I am speaking personally now, we are going to determine upon an air policy, and that provision will and should be made for airfields in all localities. There will be no immediate disposition of these airfields as nobody is going to declare them surplus immediately. That is left to the war agencies, the Bureau of Aeronautics, and the War and Navy Departments.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. ALLEN of Louisiana. I appreciate very much the fine statement the gentleman has made, an in an effort to curtail excessive profits you have set forth in the bill that there shall be no excessive profits made. What plan have you got to keep down excessive profits? In other words, you have said you do not want them, and we do not want them, but we

have taken no step to keep them down.

Mr. WHITTINGTON. With all due deference, I think the gentleman failed to catch the point of what I tried to emphasize, that that matter is left with the Administrator. Questions were asked about mark-up prices. He may fix resale prices, but I do not want to pin him down to any one resale price for a product. He has got to protect our domestic market. He has got to prevent profiteering in every way he can. We give him broad discretion to do it. He may fix resale prices.

Mr. ALLEN of Louisiana. Does the gentleman think we can fix a limitation on percentage of profit?

Mr. WHITTINGTON. I do not. There are 2,000,000 articles that may be handled. Personally, I think it would be a monumental error to undertake to fix the profits on those articles. You have to leave to the Administrator the disposal of it. If we leave to our generals the disposal of boys, we can leave to some good administrator the disposal of our properties.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. GRANGER. In the case of wool, the Commodity Credit Corporation and the Defense Plants Corporation would have to make a declaration of a surplus?

Mr. WHITTINGTON. The agencies that handle it have to make a declaration of a surplus before that can be disposed of. That means cotton, wool, wheat, everything.

Mr. GRANGER. They would all come under the supervision of this Administrator?

Mr. WHITTINGTON. If it is declared to be surplus; yes; if not otherwise provided by law.

Mr. GRANGER. Put it the other way. What are the limitations on this Administrator? Are there any limitations?

Mr. WHITTINGTON. Yes; they are definitely defined in numerous stipulated objectives and in numerous stipulated policies for the disposal of the properties. They are the limitations upon his discretion. We have made them as broad and we have made them as definite as we think they should be made.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. HARRIS of Arkansas. Further with reference to the gentleman's suggestion regarding airports a few moments ago, if and when the disposing agency declares an airport as surplus property, does the Administrator have authority to make a contract for transfer by lease or otherwise, to the municipality or the city wherein the airport may be located?

Mr. WHITTINGTON. Yes; he has. He has that authority. He can provide for some other agency to handle the matter.

Mr. Chairman, I should like to conclude by saying the great surpluses will be in the War and Navy Departments. Our domestic economy must be promoted. If a single pound of flour, if any of this property abroad is assigned to U. N. R. R. A., U. N. R. R. A. must pay



for it out of the appropriations made by the Congress of the United States. We are profoundly interested in suffering and rehabilitation in conquered and occupied countries, but we are still more interested in the rehabilitation of America. We are profoundly interested in preserving America, in the preservation of our institutions, in providing employment for the lads when they come back, in giving the taxpayer a break, and in preserving the American way of life.

The pending bill is the most constructive approach that your committee under the hearings available to the Members of the Congress and to the country, could devise for the solution of a great and of a difficult problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GIFFORD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FISH. As the Members of Congress probably know, I just came through a Republican primary fight, and rather successfully. I received over a thousand letters and telegrams from outside of my district, of which 99 percent were favorable. The primary contest was apparently a free-for-all and almost everybody sought to get in on it and to raise extraneous issues, such as race and creed. However, Secretary Harold Ickes, who likewise insisted on getting in on the contest and throwing his handful of mud, referred to "frying FISH not only on one side but on both" before the American Labor Party Convention recently held in New York City, but if there is any frying to be done, I want to have something to say about it myself.

The American Labor Party in New York State is dominated and controlled by the Communists and is a camouflage or smoke screen for the Communist Party. I recognize no possible compromise between communism and Americanism and shall not give nor ask any quarter from Communists whether under their own label or camouflaged under the American Labor Party. Anyone who asks for their support is playing into their hands and is a pawn for the Reds and under obligation to them. We might just as well face this issue now in New York State and the Nation. A vote for any candidate for public office, including my opponent for Congress, endorsed by the Communist American Labor Party, is half a vote for the Communists, whether they like it or not. The American Labor Party in no way represents American labor or the American Federation of Labor or the railroad brotherhoods or the rank and file of the C. I. O. It is a communistic outfit, and those who seek its support or accept its support, must take the responsibility of

being affiliated politically with the Communists.

Only recently Eugene Dennis, associate editor of the Daily Worker, the official Communist paper, before the Midwest conference of leaders of the Communist Political Action Committee, the successor of the Communist Party, said:

We Communists must refrain from taking such unilateral action as that of endorsing candidates, unless this is done in full agreement with the given candidate.

Consequently, it must be self-evident that the endorsement of the Communist American Labor Party of all candidates, from President down, must be given with the full agreement of the candidates themselves and they cannot evade the consequences of Communist support and affiliations.

Republicans must unite, putting aside their personal differences and march forward to victory against the fourth term and the communistic affiliations of the New Deal. The American Labor Party is a front for the Communists, and controlled by them. The C. I. O. under communistic leadership—not the rank and file—is exerting every effort to take over the control of Congress, and to reelect President Roosevelt.

I am a Republican and am loyally supporting the Dewey-Bricker ticket as against the fourth term, and the bureaucratic regimentation of the American people by personal edicts of power-hungry bureaucrats.

My opponent has the aggressive support of both the American Labor Party—communistic—and the Liberal Party of a "pinker" shade. The people of this district, Republicans and Democrats, have no more use for the Reds or Pinks than I have. I regard their condemnation as the highest possible commendation, and appeal to real Jeffersonian Democrats for support for Congress, against a twice-repudiated Republican running on the Democratic ticket.

Mr. Bennet has had no legislative training nor experience, and has never been elected to any office, and would be unknown and without any influence in Congress.

I admit, I expect to be reelected by two or three times the majority I receive 2 years ago, and to be chairman of the Committee on Rules, the most powerful committee in the House of Representatives. No Republican from this section of the State has held this post since the birth of the Republican Party.

#### LABOR

The national weekly newspaper stated:

The Reds made their most spectacular drive against Fish. He has a good labor record and was subjected to vicious smearing attacks. The Communist element which dominates the C. I. O. political activities led the drive against Fish.

This is the statement of one of the largest and strongest labor papers.

I believe it is true that I am loved for the enemies I have made—the Communists, the Pinks, the C. I. O. leaders, the left wingers, and crackpot radicals. I have always stood for a square deal for labor and social and industrial justice, and expect a big vote from wage earners, including the American Federation of

Labor, the Railroad Brotherhood, and the rank and file of the C. I. O.

REPLY TO SECRETARY ICKES' SPEECH AND ATTACK ON ME BEFORE AMERICAN LABOR PARTY CONVENTION IN NEW YORK CITY, DOMINATED AND CONTROLLED BY COMMUNISTS

American Labor Party, here we are, Browder, Hillman, and F. D. R.; We've come to give you the Government's keys,

And I'm their spokesman, Harold Ickes.

Fellow Communists, we have got the tin, And are all out to do Tom Dewey in; We'll dish it out against Curran and Fish, For we are the United Communists.

I'm your spokesman, aged, aging Ickes; Field Marshal Harry Hopkins and I agrees— Up with the hammer, sickle, and Red Flag, And a Communist victory will be in the bag.

I want you Reds all to know, however fickle, That the Communist Labor Party is my selection

To assure the Fourth Termer's reelection; Forward to victory, under the hammer and sickle!

Now, Field Marshal Ickes, let me say That Communist, Red, and left-wing condemnation

In my district is the very best possible commendation;

So, lay on you Reds, I'll never give way.

Field Marshal Ickes, you are on the way out; Invincible in peace, and invisible in war; After the election, you'll be given the door; This is the end of your twelve years' pout.

Let Jabberwock Ickes, with eyes aflame, Do his utmost with his foreign Red Flag; The American people are ready just the same; They'll never ask nor give quarter to any Red Rag.

One two! One two! And through and through,

The voting blade will go snicker-snack And aging Marshal Ickes with his Red Pack, on election day, will go sadly galumphing back.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the question of the proper disposal of surplus war goods is not a new one to me. First, as a member of the House Small Business Committee, and later, when I retired from the committee, as a citizen and Representative interested in seeing this problem solved correctly, I have given the matter much study.

More and more, as I have gone into the subject, I have become convinced that the best solution of the problem lies in the utilization of sound sales and merchandising plans and abilities. Almost anyone who can total figures could get surplus property together. Certainly anyone could move it at some price or give it away. Only men, however, who have bought, sold, and distributed goods in large and small quantities would be able to dispose of these surpluses efficiently. By that I mean that only such experienced men could properly aid Congress in its over-all effort to channel and sell these surplus goods in such a manner that dealers, consumers, and finally, above all, taxpayers, would get a fair break.

To that end principally I have been studying ways to utilize the best sales and distribution brains of the country in disposing of these gigantic stocks.



I have tried to determine the salesman needs of government. That is, I have attempted to learn if the majority of men actually in charge of surplus selling were experienced salesmen; if they were of the type and background so that if I had a \$100,000,000,000 business such as this surplus business to turn over to someone, would I choose them to run it? There is no reason I can see why, in the conduct of Uncle Sam's business, we should employ men of less ability than we would employ in the conduct of our own affairs.

I must admit that I approached this part of my study with some apprehension. I doubted seriously if I would find many men in the Army and the Navy and the Treasury—the three Departments having most to do with selling—who were really well qualified to sell. Of these three agencies, it occurred to me that we would probably find the most widely experienced salesmen in Treasury's Procurement Division. So, with congressional committee assistance, I obtained information on the sales-experience background of the 172 top sales executives of Procurement's sales force. This included all top-flight executives other than a handful of head executives of that Division located here in Washington. The men whose records I secured and analyzed were among the men who have been entrusted with the sales of surplus commodities in various parts of the country by Administrator Clayton in his disposal of surplus property under Executive Order 9425, issued on February 19, 1944.

The results of my analysis, taken from information supplied by a head Procurement Division executive as to these persons' prior business experience were somewhat surprising. Only 11 of the 172 ever had had the slightest merchandising experience. The majority of those 11 had gained their experience with the two great mail-order houses of Sears, Roebuck Co. and Montgomery Ward.

The largest single group of 69 men were former W. P. A. employees, or graduates of the Harry Hopkins school of free hand-outs. Fifty-nine others had been Government purchasing agents, but were without sales experience. Thirteen were casualties of the National Youth Administration executive force who were forced off that pay roll after bitter protest by Aubrey Williams. Six came from the War Manpower Commission. Three were from the Department of Agriculture, two being expert foresters, and three others were former stockroom clerks. Two were from the Department of the Interior, two were registered architects, two were machinists, and one was a former filling-station operator. Those were the keymen employed by Procurement and charged with the sales of billions of dollars worth of goods according to an official report made to a congressional committee on March 27, 1944.

Since then, I understand there have been limited additions from the ranks of experienced salesmen to Procurement and that is a step in the right direction. It is the sort of thing I should like to see done to the point where every man charged with handling surplus goods was

of such broad experience that he could be counted upon to carry out well any sales assignment regardless of its size.

I do not know Administrator Clayton. I am told by friends in whom I have faith that he is a capable businessman and that he is trying hard to put good business practices into government. In that we all hope he may succeed. But you only have to look at such a list of so-called salesmen as I have read to you here to see what a terrific handicap he started under.

Because of this situation within Government—where, in the regular positions, there is an almost total lack of trained businessmen—everything possible should be done to insure Mr. Clayton, or whoever may happen currently to be the Administrator, of the best support possible.

It is not because capable men are unavailable that they are not in Government sales jobs. Nor is it because the salaries which Government pays are too small. The fact is that Congress, in drafting such legislation as we are now considering, often fails to do its full duty in writing in stipulations which will insure the retention of proper men to do these jobs. Instead of carefully drawing measures so that good business methods will be employed and able and experienced men drafted into public service, we sometimes approve proposed legislation which simply passes our responsibility on to someone, such as the administrator in this case. He, in turn, is compelled, because of the very magnitude of his task, also to pass along responsibility to someone else and he does it. In the end, a selling job like this frequently winds up in the hands of an inexperienced War Department man, a former W. P. A. beneficiary, or a National Youth Administration casualty, and what happens? The taxpayer, the merchant, the consumer, and everyone who should benefit by such a thing as the sale of this great supply of surplus goods is the loser.

Now I think it is high time that we should make some effort to correct this situation. It still can be done very simply in this bill.

The committee has made a good start in setting forth policies under which goods should be sold. These are watchdogs on the right track, but as this bill is written, their teeth may be drawn through permitting various agencies to make sales without regard to these policies. That should be straightened out. I propose to offer a simple amendment designed to do this.

The committee proposes, as a matter of policy, that goods should be sold through established trade channels, and with this provision I am in hearty agreement. I believe, however, that this part of the bill also should be strengthened and I shall offer a clarifying amendment for that purpose.

Finally, I feel that it would be a grave mistake not to draft the best-informed sales and distribution brains in the country to aid the Administrator and the various agencies in disposing of these goods quickly and for the high dollar. Nobody can seriously question the importance of calling on these trained men

to give their advice and counsel as members of sales and distribution advisory committees. I understand that an amendment to this effect will be offered and I certainly shall support it.

I want to see better business methods put into this bill. I do not want to see this \$100,000,000,000 worth of goods sold in a slipshod manner to a few speculators, or given away wholesale to individuals merely because we fail to strengthen the Administrator's hand and protect the public by adding a few simple amendments to this bill.

Mr. Chairman, I yield back the balance of my time.

Mr. GIFFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, it is pleasing to have the opportunity to participate in the debate on this pending measure, because I deem it of the utmost importance that legislation be passed upon the subject embraced in this measure promptly in order to stabilize the disposition of surplus material and commodities, and in order to prevent the dislocation and disruption of the economic life of our Nation.

Following the cessation of hostilities in World War No. 1, we well remember the chaos resulting and the utter waste of our materials that followed. Large quantities of that material could have been saved and put to use, and much of the profiteering that resulted during that period could have been prevented. It is my hope that this pending measure will assure the people of this Nation that an orderly and businesslike disposal will be made of all surplus materials and supplies, and that the Government will realize the full value thereof, in its present state, and our Treasury enriched accordingly. The people have provided the money with which to purchase the many and various items involved, and they are entitled to have the proceeds of all sales made, at the fair price therefor, placed in the Federal Treasury. This is no time for the profiteer and his allies to reap a fortune in the handling of our surplus war materials. This practice must be stopped. It is my fervent hope that this measure will stop this ruthless practice which has resulted in the past, to the very great detriment of the taxpayers and the people of this Nation.

In the transition of our economic life from wartime to peacetime pursuits, production, and employment, we will face a staggering problem. The question of unemployment is one of the outstanding problems which will confront the people of the Nation. It is my hope that by and through the orderly process of that transition, and by the exercise of care and good judgment, the unemployment resulting may be limited to the very minimum. A vast number of our people thrown out of work, either prior to, or after, the termination of this war would result in disaster to our Nation. I subscribe fully to those provisions contained in this measure which will aid and facilitate the transition of our wartime policies to peacetime production and employment, and which will prevent the unemployment of the people who are now



employed. We must do here that which will aid in the promotion of production, employment, and the utilization of our Nation's productive capacity and her resources. While this measure may not be a perfect one, yet I am convinced that it will lend aid in the accomplishment of the laudable purposes intended. It is with this firm conviction, on my part, that I will give this measure my full and unlimited support.

The committee presenting this measure has spent much time, and has devoted much effort in its preparation. The members of that committee have rendered an outstanding service to our country. To go forward in this period, with the tremendous problems confronting us, without dislocating our domestic economy, and without destroying small businesses, is one of our great problems which gives to every Member much concern. However, in order to accomplish the desired result all monopolistic practices must be entirely eliminated, all profiteering sought to be conducted by groups or individuals must be stopped, and we must give every possible aid to strengthen the competitive position of small business of every kind and type. This surplus property, in its disposal, must not be permitted to fall into the hands of a few, or within any particular section of our country, but there must be a wide and equitable distribution made of it. Every part and every section of our Nation should have its part in this vast problem confronting our people. One section of our country should have no preference over any other section; this is our joint problem; this is the peoples' problem; this is our Nation's problem. We must face it in an orderly and businesslike manner, and we must do this job in the manner it should be done, and for the ultimate benefit of our Government and the people.

Mr. Chairman, lastly, I desire to impress upon every Member that it is our duty to secure the highest obtainable return for all such property and materials for the Government. This should, of course, be the ultimate objective of those who will have control of this disposition of all surplus property. However, we must remember that this must be determined with due regard to the maintenance and encouragement of a healthy competitive economy in our country. If vast volumes of surplus war materials and property should be dumped upon the market at a very low price, that would tend to destroy the market of every business engaged in a competitive field. Proper steps should be taken to guard against that unhealthy condition. We cannot think of making any approach to this important subject which would, or might, tend to destroy private enterprise within any area in this country, because we must rely upon private enterprise to go forward in the post-war period; we must guard against the unemployment of the people of this Nation when this war ends; we must take care of the people of this country.

Mr. Chairman, it is my hope that this measure will be passed, and that in the administration of it, guarded as it may be, great care will be exercised to the

end that the purposes expressed by Congress will be carried out effectively and completely and that the people of this Nation will not suffer the losses and the hardships which followed the last World War. Our Government is entitled to receive every dollar for all surplus materials and property that is sold which is consistent with the maintenance of a sound and healthy competitive system of economy. With that policy announced in the pending measure, it is my hope that those having charge of this vast problem of distribution will conform entirely with the provisions of this bill, and that our Government will receive the proceeds, on that basis, of all sales so made. We have staggering problems ahead. We must face them as Americans. In solving every problem let us remember our tremendous burdens and our obligations, and let us save every dollar for the future of our country and for the benefit of the people.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I think it should be said at the outset that there is probably some misunderstanding on the part of the public on the whole question of surplus-property legislation. The necessity for legislation of this character is emphasized by the present war but was most emphatically not created by it. On the contrary the necessity for legislation of this sort has existed since the earliest days of this Republic. Amazing as it seems, there has never been in this country any general statutory authority for the sale or other disposition by the Government of its own property not necessary in the conduct of its affairs. Congress has dealt with this problem piecemeal on many occasions, for example in 1883 authorizing the Secretary of the Navy to sell vessels stricken from the Navy Register; in 1914 authorizing supply departments of the Army to sell to certain military schools and colleges; in 1929 authorizing the sales of property in the District of Columbia; in 1936 authorizing the sales of merchant vessels by the Maritime Commission, and so on.

Accordingly, the situation is one with which in the ordinary course of events Congress should deal quite irrespective of the accumulations of property created by the present conflict. It seems almost incredible that the First World War produced no legislation of this character. President Wilson on December 3, 1918, issued Executive Order No. 3019, which dealt with the disposal of surplus property in the District of Columbia, and it was not until 10 years later that Congress passed appropriate legislation covering the same subject matter as President Wilson's order.

Early in the present Congress the necessity for legislation of this character impressed itself on the membership and there was introduced in the House a bill, H. R. 1610, which was redrafted and as H. R. 2795 was debated in the House at considerable length on June 9, 1943. It received passage on a voice vote which I believe was unanimous. That bill, H. R. 2795, was more restricted in char-

acter than the bill now before this body as it dealt only with certain types of personal property, specifically excluding lands, buildings, fixtures or appurtenances, or gold or silver. It was not drafted primarily with wartime surpluses in view, and of course, it is impossible practically to discriminate in many cases between surplus war property and surplus peace property. A typewriter or a swivel chair may have some uses for peace as well as for war.

H. R. 2795, for reasons as to which I am not advised, has never been passed in concurrence by the coordinate branch of the Federal legislature and the statutory situation is today precisely what it was when this Congress convened in January 1943. But on February 19, 1944, the President signed Executive Order 9425, creating in the Office of War Mobilization a Surplus War Property Administration to have general supervision and direction over the disposal of surplus property and its transfer from one Government agency to another. The text of this order appears on pages 34 and 35 of the hearings. Mr. W. L. Clayton was named as Surplus War Property Administrator in which capacity he now functions.

The Constitution vests in Congress all control, not only over the purse-strings of the Federal Government but over all the property of the Federal Government acquired by the loosening of those purse-strings. As recently as 1941, the Supreme Court of the United States, in the case of *Royal Indemnity Co. v. United States* (313 U. S. pp. 289 to 294) declared:

Power to release or otherwise to dispose of the rights and property of the United States is lodged in the Congress by the Constitution, article IV, section 3, clause 2. Subordinate officers of the United States are without that power, save only as it has been conferred upon them by act of Congress or is to be implied from other powers so granted.

The bill now before the House represents an attempt to deal with this problem more broadly than it was dealt with in H. R. 2795. I think it regrettable in many respects that H. R. 2795 did not receive approval and become a part of our statutory law. It was a carefully drafted bill on which the committee spent months. Had H. R. 2795 been passed, the necessity for the present bill would probably have appeared less urgent and the Congress would have been less censured for inaction. Though much criticism of the present Congress seems to me to have been unjustified, I think it true that some congressional action should have been taken decades ago. Due to our sudden and even unexpected military successes in France, the prospect of victory over Germany now appears so imminent that we should find ourselves prepared for it.

I repeat that the present bill is a comprehensive piece of legislation. It deals with real as well as personal property "of any kind, wherever located," and it defines as surplus property "any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with



section 6," under which each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which, if any, is surplus. If the Administrator provided for in the bill thinks that any owning agency lacks courage in determining surplus to be surplus, the Administrator is required to report that fact promptly to the Senate and House of Representatives, it being the assumption of the bill that this amount of moral suasion will bring the owning agency to its senses. If it does not, then the Congress can, of course, take matters into its own hands.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman.

Mr. HANCOCK. The Army owns a great many airports and air bases which are not presently needed. This number will increase. I anticipate that the Army will not be willing to declare some of those air bases to be surplus. They might wish to retain control for some future use, emergency or otherwise. Is this bill broad enough to permit the War Department to lease those airports to municipalities for commercial use, with a recapture clause, perhaps, for the benefit of the Army? There are a great many municipalities interested in that question, including my own. As I understood the gentleman's statement, none of these properties can be disposed of unless they are declared surplus. My question is, Can they lease properties that are not declared surplus?

Mr. HALE. If the Army is not willing to classify certain airports as being unnecessary for the national defense or for other Government purposes, then the Administrator will report to the Senate and House under section 6 (a) that he disagrees with the War Department. Then the subject is left in the lap of Congress. Is that a fair answer to the gentleman's question?

Mr. HANCOCK. I think there are a great many parts of the country that could use these Army air bases to very good advantage under leases. Such agreements might provide that the municipality would maintain the property, keep it in good order, pay for the upkeep of it, and provide also that the Army might recapture the premises for military purposes for any emergency. I can see the possibility in many cases where the Army would not be willing to declare the air bases to be surplus property and would like to keep some strings on them. They ought to be used for public purposes, in the meantime, in the interest of commercial and private aviation.

Mr. COCHRAN. Will the gentleman yield?

Mr. HALE. I yield to the gentleman from Missouri.

Mr. COCHRAN. Under the provisions of this bill, there will be no property whatsoever handled by the Administrator that has not been declared surplus. Under the provisions of the bill, if the War Department declares an airport to be surplus, it is immediately turned over to the administrator and the War Department no longer has anything to do with it. So this bill in no way would

reach the situation that the gentleman from New York [Mr. HANCOCK] mentions.

Mr. HALE. May I call the gentleman's attention to the provisions of section 9 (a), as follows:

The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

If the War Department has an airport that can be used by some other branch of the Government, then the Administrator under section 9 (a) should establish procedures to facilitate that being done.

Mr. HANCOCK. Does the gentleman think that language is broad enough to include a municipality as another branch of the Government? The gentleman can see what I have in mind.

Mr. HALE. Yes.

Mr. HANCOCK. Perhaps there is a similar situation in his district. There is a large Army airport near my home town. They are soon to abandon it, I am told, but yet the Army is not willing to declare it surplus. They wish to maintain it there and keep it for possible future use. That may run on for a great many years. In the meantime it would be for the benefit of all concerned to permit the local municipality to maintain it and use it.

Mr. HALE. If the municipality wants to use the airport, and the War Department will not give it to them, I think that is eminently a situation that the Administrator should bring to the attention of the Congress. As to the language in line 3, section 9 (a), I think that "Government agency" should be construed as an agency of the Federal Government, and probably could not be construed to include a municipality.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Under the language of this bill where the owning agency does not declare property as surplus after the termination of hostilities, the Administrator can declare it as surplus, can he not?

Mr. COCHRAN. That was stricken out.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Alabama.

Mr. MANASCO. Section 6, page 28, reads in part as follows:

If, in the course of the performance of his duties under this act, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives.

There is discretion in the Congress itself, whether or not it is declared surplus.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. My impression is that there was a provision in the bill originally

which provided that the surplus agency, the disposing agency, could do, as the gentleman from Pennsylvania [Mr. WALTER] suggested, but that the War Department and the Navy Department objected to that for the reason that it felt it gave an outside control to what should be a congressional and a military question, and that now the only two bodies that can decide that are, for instance, the Army and the Navy, or the Congress; am I correct in that statement?

Mr. HALE. I think that statement is perfectly correct.

This bill creates a Surplus Property Administration to be headed by a Surplus Property Administrator appointed by the President by and with the advice and consent of the Senate. The bill fixes his compensation at \$12,000 and his term of office as 2 years. The term of the act itself is for only 3 years beyond the cessation of hostilities, at which time the Congress will have the question in its lap again.

Under the bill as drawn there is a Surplus Property Advisory Board but there is no board which actually exercises control over the Administrator who remains responsible to Congress alone. Whether or not there should be a board having actual authority over the Administrator is a question as to which reasonable men may reasonably differ. When amendments to the bill are in order, I believe that an opportunity will be offered to the membership to express an opinion on this point. I myself favor a board and many national organizations like the National Chamber of Commerce have advocated a board.

The point which I wish to emphasize at the moment is that the Administrator does not himself sell any surplus property. All that the Administrator does is to direct the owning agency to dispose of any property pursuant to the provisions of section 7 or to restrict the authority of an owning agency to dispose of property. Section 8 of the bill empowers the Administrator by regulation to designate one or more Government agencies to act as disposal agencies under the act and to prescribe the class or classes of property to be disposed of by each of such agencies.

It is obvious that the disposal of the Government's surplus property after the present war is an economic transaction of very major implications. It has been suggested that \$50,000,000,000 worth of property will be disposed of in this country and an equal amount abroad. I believe that the public expects Congress to safeguard these sales by most elaborate provisions against sales at inadequate prices, against dumping, against privileges, and preferences to one citizen or group of citizens as against any other citizen or group of citizens, and so on. It probably expects Congress to make very elaborate provisions about the disposal of plants, some of which represent enormous capital investments and largely control employment in certain areas.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from California.



Mr. ROLPH. I am very much impressed with the gentleman's very able statement about this bill. May I ask him to refer to section 11, subsection (e), page 33, which reads as follows:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

May I ask the gentleman this question: Where does the grocery store or the hardware store or the automobile dealer who have been servicing the farmers in these rural communities for years fit in this picture? Would the farmer be competing with him for the merchandise? Or is it the idea of the committee that these individuals, those retail stores or small merchants, be protected?

Mr. HALE. Of course, in that subsection there are found quite a variety of policies, some of which may be conflicting with one another. I am going to comment on that a little later.

Mr. ROLPH. My idea is that Congress is determined to protect the small businessman and according to this legislation we put him out of business.

Mr. HALE. I do not share the gentleman's view on that point.

I come now to the provision on unemployment. I am particularly interested in a shipyard in my own district, which is the dominant factor in employment within a radius of 25 miles and is a very major factor in employment, you might say, within a radius of 120 miles.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. GIFFORD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HALE. It obviously makes a tremendous difference to our people whether this shipyard is sold to somebody to be used as a shipyard, even if on a very diminished scale, or is simply scrapped. The point that I wish to emphasize here, and which the public should understand, is that there are no provisions in this bill which govern that question.

Most of the debate yesterday and today has been concerned with the absence of these very provisions. But for Congress to create safeguards minute and definite enough to meet all these situations seems to me impracticable. There simply is no formula to fit all the cases. I fully agree with the Baruch-Hancock report when it says:

Whatever policies are laid down by Congress, no formula or statute can be adequate in this situation. In the final analysis we will have to depend upon the best man who can be gotten for the job.

For example, I do not see how you can possibly draft a workable provision that sales shall be made in the "smallest practicable lots" or at a certain specified maximum mark-up. Presumably the mark-up provision would apply only to the original purchaser, from the disposal agency and even as to him it would be almost impossible to enforce.

I do not know what you would do, whether you would have a provision that the sale would be void or that the man who made too big a mark-up would go to jail. It seems to me a completely unenforceable provision. Furthermore,

if the Government really wants to dispose of this property, in many instances I think it will have to allow the purchaser to make a very liberal profit. The more niggardly we are about letting purchasers make profits, the more difficulty we are going to have in disposing of this property. In some instances I believe the public interest would be to sell to dealers and not to individual purchasers, although a provision that the property be sold "in the smallest practicable lots" would seemingly inhibit in some instances even sales to small retail dealers. We have to be sure that the process of disposal is not unduly protracted.

We have defined in section 11 of the bill the policies which we think should govern the disposition of surplus property. These policies will of course guide the Administrator but they cannot control his action in any particular case, and there may of course—indeed there certainly will be in many instances—conflicts of policy. That is to say, a sale which might afford a "returning veteran an opportunity to establish" himself as a proprietor of a business might not necessarily "encourage and foster post-war employment" as much as the sale to someone who is not a veteran, and so on.

There again it seems to me that the Administrator or the disposal agency, the owning agency, has to balance the considerations of public interest one against the other.

If there is any way by which stronger public safeguards can be put upon this legislation, I shall favor them, but my own ingenuity has not been adequate to the task of suggesting effectual provisions to deal with many of the points which have been raised in the course of this debate.

I think myself that the provisions of section 13 should apply to all Government-owned plants which cost the Government \$5,000,000 or more, irrespective of whether they produce synthetic rubber or aluminum. This was a point which received consideration in the committee, which voted to leave the bill in its present form on the theory that the synthetic rubber and aluminum plants create a special case.

The provisions of the bill as to the sale of plants are the least satisfactory because the subject is the most important and the most complicated. The values involved are the largest, but again it seems to me that you must rely very heavily on the Administrator and the disposal agencies, and in fact you must make up your minds now that mistakes will almost inevitably be made.

Some legislation of this character is certainly an economic "must," and I hope that the bill will receive passage after the most careful consideration by the House.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. BENDER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maine.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Massachusetts.

Mr. HERTER. Section 16 of the bill provides for the disposal of the proceeds and provides that they shall be covered into the Treasury as miscellaneous receipts. That is on page 39 of the bill. That would imply that all the proceeds from the disposal of surplus property, being covered into the Treasury, could be considered as current revenue and could be disposed of as current revenue. In the light of the fact that most of the expenditures have been made from borrowed money, would the gentleman consider favorably an amendment which would require the Treasury to apply the proceeds from the disposal of surplus property to the reduction of the debt rather than to current expenses?

Mr. HALE. Yes; that would be my idea. Somewhere in the Baruch-Hancock report is a suggestion to that very effect. I cannot put my hands on it at the moment, but I think the gentleman would be interested in studying the Baruch-Hancock report with that in view. I think an amendment of that sort would be constructive.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman was speaking about the disposal of plants. I believe that the Defense Plant Corporation in about 75 percent of its contracts had a provision for the optional purchase by the contractor of the plants after the emergency was over. Of course, that class would be removed from the objections the gentleman has made to the provisions in the bill as to the disposal of plants, where there already is an option by contract. The only three classes that would be left would be those in which there was no option to purchase, where the contractor did not want to purchase, and did not want to exercise the option, or where the option price was too high under the changed circumstances, and a renegotiation of the option price would be sought. Does the gentleman agree with that analysis of the plant proposition?

Mr. HALE. I think that is correct.

Mr. WRIGHT. I agree with the gentleman that that is a very important question. It causes some of us a good bit of uneasiness, because the value is so extremely high and it would be so easy to make a bad bargain which would be very costly to the Government.

Mr. HALE. If there is any language which will help save these plants from uneconomic disposal, it should certainly be put in this bill.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Oregon.

Mr. ANGELL. Did the committee give any thought to the terms on which this property will be disposed of and what security will be taken to secure the Government for the payment of the purchase price? Does the bill itself lay down any guide with reference to that?

Mr. HALE. No; there is no provision in the bill as to notes or security or anything of that sort.



Mr. ANGELL. That would be left entirely in the discretion of the Administrator?

Mr. HALE. It is in the discretion of the Administrator and the disposal agency.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Looking over the testimony, I notice some remarks to the effect that the Administrator can dispose of this property through a mechanism which causes the United States Government to take over blocked exchange held by other countries. It seems to me that that is a very important part of this bill. May I ask the gentleman if this bill does authorize the Administrator, if he chooses to do so, to transfer any of this surplus property to other countries in exchange for currencies of a third country which the second country holds? Can that be done under this bill?

Mr. HALE. Certainly there is nothing in this bill which specifically deals with that particular question.

Mr. CRAWFORD. No, no; the question I raise is, and I am going to put it very clearly, Does this bill authorize the Administrator created under the proposed legislation to transfer ships or goods or any kind of property to country A in exchange for currencies of country B, C, or D, which country A holds, at the present time, in blocked form?

Mr. HALE. I think that would be possible under the bill. Certainly I know of no provision in the bill which forbids it.

Mr. CRAWFORD. I do not see anything in the bill which forbids that. In view of the fact it has been discussed and in view of the fact that England, for instance, holds so many billions in blocked currency, would the gentleman care to give information to the Members here as to whether or not, in his opinion, the machinery of the present administration, or the present Government, or the Administrator, has any idea of making such a trade?

Mr. HALE. Of course, I have no capacity to say what is in the mind of the Administrator.

Mr. CRAWFORD. It might have come out in the hearing.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HALE received permission to revise and extend his remarks.)

Mr. BENDER. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, it is my privilege to be a member of the Committee on Expenditures in the Executive Departments which reported the bill (H. R. 5125), providing for the disposal of surplus Government property and plants, we have before us today. It is not a perfect bill. I doubt if our committee would claim it to be. There are certain features of it that concern me and certain features I personally feel could be improved. But, in general, I believe the bill makes an intelligent approach to a very important and extremely difficult

post-war problem. For the most part, our differences concerning the bill are more matters of detail than of basic principles.

In drafting this legislation the committee had before it several specific proposals, as well as the excellent studies made by other committees, such as the respective Committees on Post-war Economic Policy and Planning of the House and Senate, the House Select Committee on Small Business, and the Committees on Military Affairs. The bill is the product of many minds and extensive deliberations. As a matter of fact, our committee reported, and this House passed, as long ago as May and June of last year, legislation pertaining to the disposal of surplus property.

We are by no means prepared for the post-war adjustment period. Nor will we be prepared with the final enactment of this bill and the pending unemployment compensation legislation. We will simply have laid a foundation. The responsibility for this unfortunate delay must necessarily rest with the administration.

Our immediate concern is, of course, with the period immediately following the end of the war—the period of transition from a war to a peace economy, the so-called period of reconversion. Important as it is, that period is really only one phase of the post-war adjustment problems. If we are to plan intelligently I think we must take a broader view of the term “post-war” than most are prone to take.

It is generally agreed that after the difficult period of transition from a war to a peace economy there will follow a period of “boom,” resulting from pent-up consumer demand. During this period the danger of inflation will be great, and there is a very real possibility that a severe depression will follow.

While, for the moment, our most concern is with the reconversion period, and the bill now before us is specifically directed to one of the problems of the reconversion period. I think it well to remind ourselves that post-war planning involves a great deal more than developing plans solely for the period immediately following the conclusion of the war. While not perhaps pertinent to the bill now under discussion, I nevertheless believe it should be emphasized that the over-all post-war plans finally evolved must be with a long-range point of view. I consider this bill an important but a small part of the post-war policy it is our responsibility to formulate.

As the Senate Special Committee on Post-war Economic Policy and Planning stated in its report of February 9, 1944:

The paramount consideration in the handling of all demobilization problems should be the preservation and strengthening of the American system of free competitive enterprise. All war plants and war surpluses should be handled by the demobilization agency so as to promote such enterprise.

That is one of the objectives of this bill. In the final analysis, what we are seeking to do is to preserve the system of economy that made this country strong and victorious. The bill merely states the objectives, and in section 11,

at page 32, sets out certain guides or standards for the disposition of billions of dollars of Government property; the attainment of the objectives depends upon the wisdom and care with which the law is administered.

The amount of Government-owned plants and property has been variously estimated. The Senate Post-war Economic Policy and Planning Committee estimated that approximately \$19,000,000,000 have been spent on new plants since the war started, of which the Government spent \$15,000,000,000, and private industry \$4,000,000,000. They also estimated that the amount of Government-owned goods will be as high as \$75,000,000,000. Dr. Kaplan in his recent book, *The Liquidation of War Production*, estimates that the amount of Government-owned surplus property will be around \$60,000,000,000.

It is, of course, difficult to get accurate estimates, but this much is indisputable: The amount will be tremendous. And, also indisputable, whole segments of American industry may be destroyed merely through the manner in which these vast quantities of materials are disposed of. It is imperative that the personnel of the surplus property administration, set up under the bill, be of the highest quality, that it be made up of practical men and not the “parlor theorists” or “reformists” that are all too plentiful in Government positions. It is also imperative that we in Congress keep a constant check on the manner in which the law is administered.

The bill before us endeavors to give the Congress some check over the administering agency, although, to be sure, there may be some question whether, as a practical matter, it would prove effective. In the first place, section 3 (a) provides that the surplus property administrator, to be appointed by the President, be subject to confirmation by the Senate. In the second place, section 5 (a) provides that the administrator shall report to the Senate and the House every 3 months, and (b) of the same section provides that he shall submit to the Senate and House copies of regulations prescribed by him. Moreover, while each owning agency of the Government has the power under the bill to determine what is its surplus property, section 6 (a) provides that—

If the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and House.

In order that there will be constant and careful review of the administration of this proposed law, I should like to see a subcommittee of my Committee on Expenditures in the Executive Departments set up solely for this purpose. It could be charged with the responsibility of examining all the regulations and reports submitted. Too many reports are submitted to Congress which are not studied, except by an individual Member, but if an examination of reports was made the responsibility of a specially constituted subcommittee of the standing commit-



tees a great many things could be corrected before too late.

I should like to make another suggestion with a view to making more effective the policing by Congress of the administration of this important legislation. Section 5 (b) on page 28 reads as follows:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

That particular provision is certainly of doubtful value. Each Member of Congress receives the Federal Register at his office, and this provision provides that the Administrator send the Congress copies of what has already been public for 30 days. I am inclined to believe that the provision would have some merit if it provided that copies of the regulations shall be submitted to Congress prior to their being filed for publication in the Federal Register.

Another feature of the bill to which I should like to direct your attention is the fact that the term of office of the Administrator is limited to 2 years. (Section 3 (a) on page 26). By stipulating in the law the term of office we give the appointee a vested right in that office for the term of 2 years. The appointee being subject to confirmation by the Senate, it is my view that the importance of the office is such that no term should be stipulated. Unless someone else offers the amendment, I propose to offer, at the appropriate time, an amendment striking the last sentence of section 5 (a) on page 26.

Mr. Chairman, I shall conclude by again urging that the Congress be fully cognizant of the importance of this legislation of our whole economy and that we make certain, using every means at our disposal, that the law is administered in accordance with the intent and will of Congress. If we fail in that I believe we fail to discharge our responsibilities.

(By unanimous consent, Mr. CHURCH received permission to revise and extend his remarks.)

(Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.)

(Mr. MILLER of Connecticut asked and was given permission to revise and extend his remarks.)

Mr. WHITTINGTON. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I hesitate to approach this subject after the very able analysis of the bill by the gentleman from Mississippi [Mr. WHITTINGTON]. I agree with everything he said; I agree with what he said with reference to the objectives of the bill and also about the gentleman who appeared before the various committees, Mr. Clayton. I cannot conceive of any man who has ever shown a desire to be more cooperative with the Congress than Mr. Clayton.

To take up the bill section by section would be only a repetition of what the gentleman from Mississippi [Mr. WHIT-

TINGTON] has already said. There are, however, some matters in which I have a profound interest. Questions have been asked which indicate that some Members are not satisfied with the provisions in the bill that relate to schools, hospitals, State institutions, and so forth. They indicate that we should be more liberal, use the same policy of disposing of surplus property as did the N. Y. A. They want some of this property without cost.

The States of the Union, speaking as a whole, are in a very healthy financial condition, a far better financial condition than your Federal Government. I am not going to forget that some of the States in this Union have not played fair with the Federal Government in the prosecution of this war. After the decision in the Alabama case wherein the Supreme Court held that in certain instances the tax exemption in the Constitution did not apply and that the Federal Government would be required to pay sales and use taxes to the State in the manufacture of supplies and the furnishing of material that were needed for the defense of our country. Some of the States of the Union exempted the Federal Government, but other States refused to exempt the Federal Government. I immediately introduced a bill providing for exemption from the levy of use and sales taxes. Officials from various parts of the country came here and opposed that bill. An official of my own State opposed the bill. Despite the fact that over 20 members of the Ways and Means Committee favorably reported that bill we were unable to get a rule from the Rules Committee for its consideration. As a result hundreds of millions of dollars have been paid by the Federal Government to some States in this Union in connection with the manufacture of tanks, planes, and various other articles used for war purposes. This bill provides for sale not for gifts. We do not want a repetition of what occurred after the First World War. You will recall that three billions of dollars of supplies were sold to France. Did France keep them in France? Not all of them. They sold some of them to other European countries, and all we received was \$400,000,000.

We provide in the bill that schools, State organizations, charitable organizations, and so forth, can secure their legitimate needs but they are going to be required to pay for the property that will accrue as a result of this war.

Let us look at the problems that confront us. Billions of dollars of surplus property—no one can make a definite statement, your guess is as good as another—will be available for sale. Our problem is how to dispose of it to the best interests of the Government. At the same time we must be extremely careful that we prevent the dislocations of the domestic economy and of international economic relations.

There has only been one definite statement that I have seen in connection with all the testimony upon this subject and that was by Major General Clay of the War Department who appeared before the joint committee of the House and

Senate on post-war planning. He stated that up to the middle of June, they had already disposed of \$261,000,000 of surplus property. He stated further that at that time it was an actual business running in the neighborhood of \$35,000,000 a month. That is the War Department alone. And he added in another sentence that at a very early date we—the Army—will have approximately \$296,000,000 worth of additional surplus property. That is the only definite statement ever made on the subject as to amount and as we all know, it is only a drop in the bucket in comparison with what we are going to have.

It is my view that the time for action is now. All the property that we have now that can be declared surplus, which is not needed in the prosecution of this war, should be declared surplus now and if it is, we can place it on the market, and can get a reasonable price for it and we will not be interfering with private industry because it is not available in the open market today.

We might as well face the facts in connection with this legislation. We are going to run into many difficult situations. The Administrator will have a tremendous job. We are not going to dump surplus property on the market. When private industry is placing similar products on the market that are sufficient for the use of the people of the country, we are not going to sell the property. It is pointed out in the bill, we are not going to go into competition with manufacturers. So it seems to me that the quicker the organization can get to functioning and the quicker they can dispose of the property that is now surplus and not needed in the prosecution of the war, the better off we will be, financially and otherwise.

Mr. Chairman, I want to refer to the Secretary of Agriculture because he appeared before the committee and made a statement. I realized from his statement that he had visions of securing a great deal of surplus property. He spoke of the great amount of land that had been taken over by the Government in forest reservations, around national parks, and so forth. He spoke of the tremendous amount of bulldozers, trucks, and so forth, that could be used to great advantage by the various organizations under his control. I told the Secretary that I felt it was pretty generally known that there was quite a number of Members of Congress and a tremendous number of people all over the United States who felt that the time had arrived, due to the financial condition of the country, when we should retrench rather than expand. Some of his suggestions clearly indicated expansion, I pointed out to him that under the terms of the bill he would not receive any surplus property in excess of the amount of property of a similar kind that he was authorized to buy by the appropriations and he must have the necessary amount of money to his credit to pay. I told him he could not get land under the terms of this bill, nor would he be able to get bulldozers, trucks, or anything else unless he could pay for them. I told him I thought that was proper, that unless the



Congress of the United States appropriated the money and authorized him to buy this surplus property he should not get them, nor should any other Government agency. It would simply be the case of a Government department or agency increasing its own appropriation.

We authorized in the veterans' bill an appropriation of \$500,000,000 for additional hospital facilities. We have hospitals in every corner of this country and throughout the central part of the country as well. Some of those hospitals, after the war is over, will not be needed by the Army or Navy. Some of them, I presume, are temporary while others are permanent; but those that could be used fully equipped, that meet the needs of the Veterans' Administration, then the Veterans' Administration should take them over. That would be sound business. However, the cost of them should come out of the \$500,000,000 that Congress has authorized.

In other words, I want to see the Government agencies, every one of them, pay for the surplus property they will receive, and I think that the States, the cities, and the counties should do likewise. We have a tremendous amount of liabilities. Surplus property is assets, and we ought to realize from those assets just as much money as we possibly can. The only way we are going to do that is to get a fair price for it when we place the property on the market.

You are going to have a fixed charge for years of at least \$6,000,000,000 for interest on the national debt. We are going to be required to appropriate that money because the minute we default upon the interest on our national debt our financial system will be broken down. Let us apply some of the money that we get from the surplus property toward the payment of interest on that debt.

Then again, we are going to have an adjusted-compensation bill. Every one of you know we are going to have that. On the basis of the adjusted-compensation law we passed for World War No. 1 veterans, it cost the Government \$4,000,000,000. On the basis of the number of men and women serving in this war, that same legislation will cost the Government anywhere from twelve to sixteen billion dollars. We are going to have a tremendous bill to take care of the disabled veterans and the widows and orphans of those who made the supreme sacrifice. We are going to need all the money that we can get to meet those enormous expenditures.

So I feel, Mr. Chairman, in view of the financial condition of the country, no one should try to amend this bill to provide for disposition of this property without payment to the Federal Government, no matter whether it be an agency of the Government that gets the property or a State or a subdivision thereof, an individual or organization.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In connection with amendments and in connection with the statement that members of the committee will invite amendments from

time to time, is it not a fair statement to make in this connection that the committee itself considered many proposals in the form of amendments, and the committee came to the conclusion that the proposed amendments, submitted to us in good faith and suggested to us in good faith, would defeat the very purposes that the gentleman submitting the amendment had in mind?

Mr. COCHRAN. The gentleman is correct. That occurred not once but on several occasions.

Mr. WHITTINGTON. So that a word of caution is in order, with all deference, that while members of the committee have expressed themselves to the effect they would like to perfect the language they have been unable to do it, and if anybody else can submit language that can perfect the bill they are agreeable to considering it. The point is we ought to be pretty careful to know that we are perfecting and helping the bill with the language submitted or the amendments we offer; otherwise we would defeat the very purposes of the legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield the gentleman 8 additional minutes.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The Committee on Banking and Currency, of which I am a member, discussed a bill somewhat similar to this, and we were particularly disturbed—at least I was, and it was brought out by the witnesses—about the question of how far an administrator ought to be permitted to go in carrying out these policies. You will notice on page 33 there are various policies to be carried out, to the extent feasible in the public interest, but it does not say to what extent the administrator could go. Among those policies are, in effect, making donations; another one, aiding veterans; another one, fostering employment.

Was it the intent of the committee, where necessary to carry out one of those policies or several of them, that they should reduce the price of the goods? In other words, when you reduce the price of the goods in order to carry out a policy like that, it is in effect a subsidy for that purpose.

Mr. COCHRAN. Why, certainly not.

Miss SUMNER of Illinois. Does the committee intend to reduce the price?

Mr. COCHRAN. Certainly not. Is that paragraph (d)?

Miss SUMNER of Illinois. Yes.

Mr. COCHRAN. Paragraph (d) reads:

To encourage and foster post-war employment opportunities.

Suppose we had, say, 10,000,000 pairs of shoes when this war is over, and we dumped them on the market, where would the employees in the shoe factories be? So in order to foster post-war employment they are going to be very careful in the way they dispose of this property so that it will not interfere with

employment. We are going in the storage business to a large extent.

Miss SUMNER of Illinois. That is made clear in another part of the bill. On the question of the veterans, say you have some jeeps to give away. In order to get them into the hands of veterans in a certain community you have to reduce the price in order to get the veterans to buy them. Is it the intent of the committee in that connection that the administrator would reduce the price in order to be sure that the veterans got them?

Mr. COCHRAN. There was no such suggestion made, I think, at any time in the hearings, and I was there all during the period when Mr. Clayton was there. You are going to run into insurmountable difficulties. For instance, here is a farm and three veterans want it. Who is going to get it?

Miss SUMNER of Illinois. That is it.

Mr. COCHRAN. Here is a business. Here are three veterans who want it. Who is going to get it? You have to give the Administrators broad discretion and trust to their fairness.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The gentleman made a very compelling speech urging the Congress not to provide for giving away this property that cost the country so much money. I wonder why the bill authorizes this agency to give this property away.

Mr. COCHRAN. Only where it is absolutely of no value.

Mr. VORYS of Ohio. No, no.

Mr. COCHRAN. Where is that?

Mr. VORYS of Ohio. In section 10 (b), page 31, it provides for giving away property that has no value, but section (a) provides, and I quote:

Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise—

"Or other disposition" includes "gift," and "otherwise," as a consideration, means no consideration at all.

Mr. COCHRAN. Oh, no. We discussed that.

Mr. VORYS of Ohio. I think that is perfectly clear. Every lawyer in this House will agree that section 10 (a) authorizes another form of giving away property in addition to subsection (b). I do not think there is any question about the interpretation of that section.

Mr. COCHRAN. I do not agree with that suggestion; as I said, that language was thoroughly discussed.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. With respect to the inquiry made by the gentleman from Ohio, the language in section 10 (a) would have to be construed in connection with subsection (c). Subsection (c) provides:



The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

One of the objectives is to secure the best possible return to the Treasury, so that if he would give it away, it would be in violation of the terms of the act, and he is not authorized to do that.

Mr. VORYS of Ohio. I beg to differ with the gentleman. Under subsection 10 (c) the Administrator could authorize by regulation disposal otherwise than by sale, which would mean by gift, or could authorize by regulation for a consideration of nothing, and that would be binding.

Mr. WHITTINGTON. I beg the gentleman's pardon. It says, "as he deems necessary to effectuate the objectives and policies of this act." The policies and objectives of this act are to procure the best possible return to the Treasury. There would be no return to the Treasury if he gave the property away. We have conferred with the Legislative Counsel, and he agrees with that interpretation.

Mr. VORYS of Ohio. Under subsection 10 (c) he may deem it unnecessary, to effectuate the objectives, to charge anything.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. With reference to the language in section 10 there is an enumeration of cash and credit and other property. It seems to me that those three considerations are all inclusive of everything except giving it away. Of course, when you cannot get cash for your stuff or credit or other property, and you still dispose of it, what are you going to get?

Mr. VORYS of Ohio. Nothing.

Mr. MICHENER. Or otherwise.

Mr. WHITTINGTON. You can only dispose of it otherwise to effectuate the objectives and policies of this act, and one of the objectives and policies of this act is to provide for a reasonable return to the Treasury.

Mr. SUMNERS of Texas. And where is that language found?

Mr. WHITTINGTON. Section I, Objectives.

Mr. SUMNERS of Texas. You do not provide any reasonable return to the Treasury when you give it away, and that is provided for in the bill.

Mr. WHITTINGTON. Only when it has no value. That is the only time you can give it away under the provisions of this act.

Mr. COCHRAN. That very question was asked by the Senator from Michigan, Senator VANDENBURG, at the joint committee hearing. Senator VANDENBURG asked: "Could you give it away under that section?" Mr. Clayton said, "It does not say so, and they certainly could not do it."

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that the "or otherwise" refers directly to the next section, section (b), which describes the manner in which it can be given away?

Mr. COCHRAN. That was what the gentleman from Mississippi just explained.

Mr. WHITTINGTON. As to the words "other property" the explanation of that was this: If this property was sold in a foreign country, we might not be able to get money, but with the word "property" we might get raw materials that we will need. So there is broad discretion given. They might get credit or cash. If you sell these plants, you will have to sell them on credit.

Mr. COCHRAN. I was going to refer to that when the gentleman asked me to yield, because the question of credit was brought up, and Mr. Clayton said that Mr. Carmody, the head of the Foreign Economic Administration, was going to handle the surplus property abroad. He might find himself in a position where some country has something that we need, that we do not produce in this country, and they might be able to make an exchange whereby we would get value received for the commodity that we give that nation. It would be some commodity that we need very badly and do not manufacture in the United States. It was brought out in the hearings very plainly that under the provisions of that section you could not give the property away.

Those of us on the committee have read the hearings of numerous House and Senate committees—a dozen or more that have studied various phases of the subject. We feel it would be a mistake to load this bill down.

We have recognized the advisability of protecting small business; of protecting individuals whose property was taken from them; to give such preference as is possible to those who served in the armed forces; to protect the interest of labor; to prevent monopolistic practices; to provide for wide distribution; and to prevent speculators from getting surplus property.

We give you a good bill. As we gain from experience the Congress can improve upon it. We must be liberal in extending to those who will administer the law the power to meet the situations that will confront them.

This legislation has long been delayed and through no fault of this House. Over a year ago we passed H. R. 2795. I tried many times to get action in the Senate on that bill. The President urged Congress to act on more than one occasion. Finally he set up, by Executive order, a surplus property agency. This act will take its place. The present Surplus Property Administrator, Mr. Clayton, has done a wonderful job under his limited authority. I feel the President will appoint him Administrator under the terms of this bill. If he does I am sure Mr. Clayton will assign Hon. Leo Crowley, Chief of the Foreign Economic Division, to handle surplus property abroad. Both have demonstrated their ability. We appeal to you to pass this bill as the committee reported it.

Mr. GIFFORD. Mr. Chairman, I yield myself a quarter of a minute just to congratulate the last speaker and the others who have told us that actually they are not going to give away any more, they are going to get their money's worth. That is something new.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Did the gentleman say they were going to get their money's worth just because they were not going to give it away? They can charge a nominal price and still not be getting their money's worth.

Mr. GIFFORD. It will still be something new. I congratulate them.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GIFFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. POULSON].

Mr. POULSON. Mr. Chairman, when I say that this bill before us, H. R. 5125, constitutes legislation, which is as far reaching as any domestic legislation which we have passed in many months, I mean just that. In fact, it can be the controlling factor in the adjustment of our post-war economy. To visualize the magnitude of the subject matter contained, let us compare it in dollars with the much-discussed Kilgore bill, which has had the headlines for weeks. This Kilgore bill or legislation was planned to avoid a post-war depression through the means of unemployment insurance, and many claimed it would wreck our economy because Mr. Altmeyer of the Social Security Board stated it would cost us \$10,000,000,000. Yet, according to figures prepared by responsible governmental agencies for Mr. Clayton and the Budget bureau, which I have had the privilege of viewing, I notice that the amount involved is more than 11 times this much-feared ten billion unemployment insurance. In fact, it is freely admitted by Mr. Clayton and others that we can expect very little out of the fifty-six billion in foreign countries and an unknown percentage out of the \$52,000,000,000 estimated to be Government-owned war-end surpluses in this country. In other words, the figures compiled of a summary of estimates of Government-owned war-end surpluses shows that they figure there will be \$112,138,000,000 of surpluses on basis of cost.

Now the question is, What makes up this \$112,138,000,000 estimate? First, let us make an analysis of the \$59,651,000,000 estimate which will be disposed of in other countries. There are \$3,045,000,000 of various facilities, such as bases in other countries. Included are military supplies, such as guns and fire control, ammunition, combat vehicles, radio equipment, and radar equipment, which they estimate that there will be thirteen billion four hundred and ten million—enough to help other nations wage war. Under heading of "Potential civilian goods, trucks, cars, tractors, etc.," this will amount to \$2,650,000,000 cost; railroad equipment, photo



equipment and supplies, precision instruments, and medical and dental equipment will be approximately \$680,000,000 cost; food products will approximate one billion one hundred and twenty-five million and an additional \$450,000,000 of clothing unissued. Listed under raw materials is an estimate of \$1,160,000,000 of petroleum products, one billion one hundred and twenty-six million of materials in process, and \$1,126,000,000 of miscellaneous equipment and supplies. Then there will be \$26,000,000,000 in planes of all types, including parts and spares. In addition to the above there will be \$10,000,000,000 of Liberty, Victory, transport, tankers, and other types of maritime ships. Is not American industry and trade threatened with the above items? Are we going to start up foreign competitive shipping and air travel? Surely these are matters to be decided by Congress, or at least the Senate. And remember this bill would let one man decide that question for Congress and the Nation.

Now for an analysis of the domestic surpluses and how it will effect our economy. Of the estimated \$52,487,000,000 of surpluses here, \$20,739,000,000 constitutes nonindustrial facilities, such as airfields, troop housing, war housing and other types. This does not include our 8,000,000 acres of land, purchased for this war. In addition there will be \$4,400,000,000 of munitions; such as guns, ammunition, combat vehicles, radio and radar equipment. The disposal of the above will constitute a problem far less difficult than the following when we dispose of \$27,348,000,000 worth of surpluses which will go into our every-day economy. Industrial buildings and installations will have cost \$7,900,000,000; machinery and equipment will have a cost of \$3,684,000,000; raw materials \$3,428,000,000; materials in process \$3,700,000,000; automotive equipment \$1,350,000,000; finished food products \$750,000,000; clothing \$275,000,000, and miscellaneous equipment and supplies \$1,261,000,000. Let us omit the plants, machinery, and equipment and we still have \$10,764,000,000 of consumer goods to put into business channels immediately; and then when we consider that \$4,000,000,000 per month is the average total retail sales in this country you can readily see how important this job is of administering and steering this program of disposing of our war surpluses.

Realizing the importance of this bill and further the necessity of legislation on this matter we must now turn to the bill itself. In the first place outside of designating that there shall be an administrator, defining his powers which are quite unlimited, we have devoted the greater portion of the bill to announcing the policies we would like to see carried out but in no manner are they mandatory. Frankly, I admit that it is impossible to write a bill with the blueprints of instructions and that must rest with the Administrator or board, whichever this Congress decides upon.

Being opposed to placing all of this power in the hands of one man, let us find out just how far that power extends. We know of one industry which became

alarmed and the gentleman from Pennsylvania [Mr. WALTER] appeared before our committee with an amendment to protect that industry and I might state his State. That was the anthracite coal industry, which could have been extinguished had the Administrator or board disposed of the existing oil pipeline which will no doubt be classed as surplus because of the inefficiency of transporting oil through it. As Mr. WALTER stated, there is only one company able to utilize it and that is a major oil company and one of their officers had publicly advocated using it to transport natural gas to the Eastern States for domestic fuel consumption. The consequences on the coal industry in Pennsylvania would be apparent.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman from Missouri [Mr. COCHRAN] gave us to understand there was nothing in the bill to prohibit the Administrator from trading any or all of this \$59,000,000,000 worth of goods located in foreign countries in exchange for blocked currencies. I am sure the gentleman from Missouri [Mr. COCHRAN] stated rather emphatically that one of the purposes of the bill is to put the Administrator in position to trade this property in a manner which would enable the United States to buy goods from other countries. That seems to sew this thing up pretty tight.

Suppose England holds the equivalent of \$12,000,000,000 worth of Brazilian milreis or Argentine currency or some other Latin-American currency or Dutch East Indies currency, or whatever it may be, and the Administrator trades these goods for that currency. The currency is then equivalently transferred to dollar exchange at the New York Federal Reserve Bank, which puts our Government agencies then in position to use that exchange on other countries for the purpose of paying for goods imported into the United States from those countries. I think it has been clearly stated here by members of the committee that that operation could be carried out.

In the event any such program is followed, may I submit this question: What is to occur when exporters produce goods in this country and ship to those other countries? How are they to get exchange of those other countries converted into dollars in payment for the goods which those exporters ship out of this country?

Mr. POULSON. I would say that this particular individual who is the Administrator will have probably more power and more influence in settling that question than anyone else.

We on the Pacific coast are vitally interested in what is going to happen to the steel plants. It means everything to our future industrial development; does it mean we should also ask for exemption? If so; there would be no end to such requests. Now the sponsors of this bill will state that disposition of plants over a certain amount will require congressional consent; however, do you realize the Administrator in the present bill can

rent these said plants for 5 years and there is no price or terms established? This all leads to one question: Is this not too great a responsibility to be placed on any man's shoulders? In fact, is it not true that he would have more direct control over our post-war economy than even our President? Has he not more unlimited power in this field? Even though Congress has the greatest faith in Mr. Clayton, is it good legislation to legislate on the basis of an individual, or on the basis of sound practices?

The gentleman from Missouri [Mr. COCHRAN] and the gentleman from Mississippi [Mr. WHITTINGTON] have been basing all their arguments on the fact that Mr. Clayton is a man in whom we have implicit confidence. I realize he is one of the very successful men in this country. He is reputed to be the biggest cotton broker in the world. He is a man who has made a fortune. He has been successful. But this law does not state that Mr. Clayton is going to be the Administrator. Therefore, if they base their argument for the bill on the basis that he is the man to administer it, then I say on that basis alone that that is no argument for the bill, because there is no assurance he is to be the Administrator. We should base our laws on the basis of common practices and principles.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Texas.

Mr. PATMAN. If the gentleman will read that paragraph closely, that section 13-A, it does not apply to steel mills. I have an amendment to offer that will make it apply to all war plants. I think it should apply to all. As it is written now, it only applies to aluminum and rubber.

Mr. POULSON. I agree with the gentleman that if we start on one exemption we may just as well exempt them all.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The assumption has been that Mr. Clayton will be responsible for selling these surpluses, and as they discussed the plan before the Committee on Banking and Currency Mr. Clayton's organization is a coordinating organization. The disposal, as they talked of it at that time, would be through Government agencies and departments. Has that plan been changed?

Miss SUMNER of Illinois. Is he going to do that, or are these agencies going to do it? It makes a difference.

Mr. POULSON. As I understand the bill, Mr. Clayton, if he is the Administrator, or whoever is the Administrator, will set all of these policies.

Miss SUMNER of Illinois. Does he not delegate the actual selling to the departments?

Mr. POULSON. Oh, yes; that is true. But he establishes the policy and the regulation under which it is operated.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?



Mr. POULSON. I yield just for a question.

Mr. REED of New York. I am afraid I cannot put it just in the form of a question. I would like, however, to have this, in your remarks, because of the reference made to Mr. Clayton. I do not dispute with the gentleman that Mr. Clayton is an able man. I want to call to the gentleman's attention that I believe it is essential that the Administrator be a man who is primarily interested in the United States. When King Cotton was in its death throes and the United States Government was coming to the rescue of the cotton people of the South, endeavoring to save the cotton farmers of the South, Mr. Clayton, as one of the greatest cotton brokers in the world, was in Brazil promoting the growth of cotton down there, of which Brazil has 216,000,000 acres available for growing cotton, contributing his talents to the death of King Cotton in this country. Now it might be well to look into the record before we turn over billions of dollars worth of property to be disposed of to Mr. Clayton without restraint. At least we ought to see that the Administrator is primarily interested in the United States of America.

Mr. POULSON. That amounts to \$112,000,000,000. For that reason I am advocating and will present at the proper time amendments to this bill, eliminating the one-man control and setting up instead of a board of seven. Two of these are to be selected with a background of industry and merchandising; two with an agricultural background; two with labor organization background; and the chairman; also to be selected with advice and consent of Senate and to receive salaries of \$12,000. This should be a full-time job and as this job is as big as any in our Government it should carry a salary commensurate with the duties to be performed and comparable with others for like responsibilities.

Some will be advocating an advisory council but as they would have no voice in the decisions to be made I consider that as merely a gesture or what might be called, in plain language, just window dressing.

I am also placing in the Record the story of how England is handling her war-surplus problem. While we do not have to pattern our laws after England we can refer to them for suggestions of worth many times.

I am also having printed in the RECORD a suggested amendment for clarification, presented at my suggestion, by Mr. Scott of the Budget Bureau.

Amendment proposed by Mr. POULSON: Page 25, strike out lines 20 and 21 and insert:

"(j) The term 'Board' means the Surplus Property Board created by section 3."

Amendment proposed by Mr. POULSON: Beginning with line 22, on page 25, strike out down through line 4 on page 27 and insert:

#### "SURPLUS PROPERTY BOARD"

"Sec. 3. (a) There is hereby created a Surplus Property Board which shall consist of seven members who shall be appointed by the President by and with the advice and consent of the Senate. All the members

of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in matters which the disposition of surplus property will affect, two of the members shall have had familiarity with and experience in handling the problems of industry (one in the field of production and one in the field of distribution), two of the members of the Board shall have had familiarity with and experience in handling the problems of agriculture, and two of the members of the Board shall have had familiarity with and experience in handling the problems of labor from the standpoint of employees. The remaining member shall be Chairman of the Board. The Board may designate any member to act as Chairman in the absence of, or in the case of a vacancy in the office of, the Chairman. The members of the Board shall receive compensation at the rate of \$12,000 per year. The term of office of the members shall be 2 years, but the term of office of the members first appointed shall expire 2 years after the date of the enactment of this act and the term of their successors shall then begin, and the term of office of any person appointed to fill a vacancy caused by the death, resignation, or removal of any member shall be limited to the unexpired term of the member whom he succeeds. Five members shall constitute a quorum.

"(b) The board may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of its functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, the board may employ special assistants, certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon it and in furtherance of the objectives and policies of this act. The board shall perform the duties imposed upon it through the personnel and facilities of the established Government agencies so far as consistent with its duty to insure uniform and efficient administration of the provisions of this act.

#### "GENERAL POWERS OF BOARD"

"Sec. 4. The board shall have general supervision and direction, as provided in this act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies."

Amendment proposed by Mr. POULSON: Page 27, strike out lines 5 to 21, both inclusive.

Amendment proposed by Mr. POULSON: Page 42, strike out line 2, and insert "any one or more members or special assistants, and."

[From Labour News From Britain, Hampton Wick, Middlesex, England]

WHEN WAR STOCKS ARE RELEASED BRITAIN'S GOVERNMENT HAS SUPPORT OF EMPLOYERS AND WORKERS IN FAIR SELLING PLAN—SAFEGUARDING PEACETIME MARKETS

(By Herbert Tracey, of the British Trades Union Congress)

LONDON, July 26, 1944.—Before announcing tentative plans for the disposal of Government surplus stores after the war, the President of Britain's Board of Trade has sought the views of representatives of industry and trade, including the T. U. C. general council. A plan has now been framed with which the T. U. C. agrees in principle, while the two

big employers' organizations, the Federation of British Industries, and the British Employers' Confederation are also supporting the scheme.

Consultations of this nature, conducted in this case through the Reconstruction Joint Advisory Council on which these three influential bodies are represented, shows how the Government is tackling post-war problems which were not so wisely handled after World War No. 1.

The Government's interim plan for the disposal of the surplus stocks of consumer goods, ranging from typewriters to trucks, from raincoats to road rollers, have been endorsed by the trade-union leaders because they are satisfied that it is the Government's intention to exercise control in order to prevent profiteering, to give everybody concerned a square deal, and to avoid putting those stocks on the market faster than they could be absorbed with detrimental effects on normal peacetime production.

But the problem of disposing of Government acquired capital assets like factories, productive equipment, machine tools, land, and buildings serving a variety of purposes, raises questions of policy upon which decisions have not yet been taken, and upon which different views may be expected.

#### FIXED CAPITAL ASSETS

The fixed capital assets possessed by the Government have been conservatively estimated as more than £663,000,000, including a number of factories and workshops, power installations and the like, which the Government owns outright, and which in many cases are operated by Government departments.

It has been agreed in principle that there will be control of prices in the disposal of many categories of capital goods, as well as of consumable stores. But it is still to be decided whether any of the productive plant owned by the Government will remain in its possession, and continue to operate either under lease to private interests or under the direct management of the Government. All that can be said at this stage, and it is really important, is that problems of this kind are being considered in a businesslike way and from a common-sense standpoint, under clearly defined principles which will protect the public interest.

#### JOINT CONSULTATION ON POST-WAR AGRICULTURE

Relations between Britain's organized farmers and organized agricultural workers, successfully developed in wartime, have been carried further by a decision of the National Farmers' Union and the National Union of Agricultural Workers to establish a joint consultative committee with a view to joint action by the two unions on post-war agricultural policy. When the National Farmers' Union invited the Agricultural Workers' Union to meet them for informal exchange of views on this proposal, they found there was so much agreement on post-war aims that the establishment of the proposed joint consultative committee was agreed to by the delegate conference of the Agricultural Workers' Union. This is not a move to form one union for agriculture, but is directed at insuring that efficient farming will meet with its due post-war rewards. The workers' union which has organized agricultural laborers over a long period of years has, in the past, been fighting farmers on wage committees and disputing with them matters such as tied cottages; but it was argued at the delegate conference that the union's representatives during the war have been brought into very close association with the farmer on almost every war agricultural committee, with very good results for the workers they represented.

#### PAID HOLIDAYS FOR FARM WORKERS

Since the middle of June the system of holidays with pay and weekly half-holiday



overtime rates, approved by Britain's Agricultural Wages Board for application to all farm workers has been in operation. The board has issued county orders directing that in every area agricultural workers shall have 6 days' holiday with pay each year, an extra day for workers employed regularly on Sundays, and the right to take not less than 3 days consecutively for holiday. The board's orders also provide for farm workers employed on public holidays to be paid at overtime rates.

Mr. MANASCO. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, on April 13, 1944, I introduced H. R. 4576, which has for its object the reenactment of the National Bituminous Coal Act with certain amendments that would, in my opinion, greatly strengthen the act in that they would iron out certain things that experience under the former acts demonstrated needed ironing out, throw around the miners greater protection from injury, and give the consumers direct representation in the administration of the act. On the same date similar bills were introduced by Representatives of both parties. The legislation is non-political and is designed to assure continued production of coal during the war and an orderly readjustment of the industry following the war. The bill before being introduced had been agreed to by the representatives of the miners and by a great majority of the coal industry.

Sometime ago I took the legislation up with the President by letter and this morning I received a reply to my letter, which reads:

THE WHITE HOUSE,  
Washington, August 12, 1944.

HON. JOHN W. FLANNAGAN, JR.,  
House of Representatives.

DEAR JOHN: I am glad to learn from you that bills are pending in the Congress which, if enacted, would reinstate price regulation and rules of fair competition for the bituminous coal industry.

As you know, I actively sponsored such legislation which was enacted by the Congress in 1935, and again in 1937. This legislation has now expired. Under it, the bituminous coal industry was cured of its chronic sickness and put on the road to recovery. Thousands of miners who had known only low wages and poor working conditions were enabled for the first time to earn a decent livelihood. At the same time consumers were protected and prices held to a steady and reasonable level.

The passage of similar legislation at an early date is, in my opinion, important to the welfare of the Nation. During wartime, the bituminous coal industry has enjoyed a reasonable measure of prosperity. But, when the present boom market ends, chaos will again threaten if the industry returns to the old ways of cutthroat competition. The industry itself will, of course, feel the harmful results of this instability. But hundreds of thousands of miners will also suffer irreparable injury, and consumers will obtain no lasting benefit. Sound legislation, on the other hand, will help stabilize the industry and safeguard the interests of thousands of

producers, hundreds of thousands of mine workers, and millions of consumers.

There has always been a difference of opinion as to whether legislation of this character would better be administered by an independent commission or by an executive department. Experience has demonstrated to my own personal satisfaction that better results have been and will be obtained under a single head within one of the executive departments. This, however, is a matter upon which reasonable men may differ while agreeing upon the importance of the basic principle involved.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

I hope it will be the pleasure of the Ways and Means Committee to give us a hearing in the very near future.

The legislation is right in line with post-war planning for industry. If this legislation is not passed before the end of the war, I am afraid the coal industry will get into a chaotic condition, which will bring about untold injury to operators and miners alike, before relief can be granted. The need is urgent and I hope we get speedy and favorable action from the Ways and Means Committee and the Congress. Delay, in my opinion, will be fatal to both the miners and operators.

Mr. BENDER. Mr. Chairman, I yield to the gentleman from Michigan [Mr. MICHENER] such time as he may desire.

(By unanimous consent, Mr. MICHENER was granted permission to revise and extend his remarks.)

[Mr. MICHENER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BENDER. Mr. Chairman, I yield to the gentleman from New York [Mr. REED] 5 minutes.

Mr. REED of New York. Mr. Chairman, I assume that when this bill has been read and amended, I shall be able to support it.

I just rose to discuss one problem. This question of the disposal of surplus war material is not an entirely new question, because we had that problem in a minor way after the last war. As I was elected to Congress in 1918, I know something about it. As a young, ambitious Member of Congress in those days I thought the people ought to get the benefit of some of the surplus. There were great quantities of food left over. I remember particularly canned food, some of which was very high grade hash, perfectly delicious. I conceived the idea of distributing that to various points throughout the country through the post offices. It did not work out quite that way, but it was finally sold at a very reasonable price, much below the market price perhaps, in the various towns throughout the country, and the people appreciated it. Consequently the food did not deteriorate or spoil on the hands of the Government and the people received the benefit of something they had already once paid for.

The reason I rose today was to discuss the disposal agencies. I do not suppose in the history of the world there were ever so many scientific instruments that could be used in schools and colleges, now in the use of our armed forces at various camps, laboratories, and sta-

tions as has been the case in this particular war. Colleges, normal schools, public schools, all schools, have suffered severely during this war. The boys are coming back. Many of those boys have not completed their high school, college, or university courses. Thousands of them are going to go to school again. It seemed to me that instead of storing many of instrumentalities in such way that they will be a total loss, or instead of disposing of them where they will do very little good, some arrangement could be made, should be made, so that the disposal agencies could lease or lend those scientific instruments to the various universities, State colleges, normal schools, and high schools.

Then there is another question. I wish I could go into it a little further because I know something about the disposal of many surplus articles after the last war, for cash, but at very reasonable figures, which were beneficial to many communities. There are many normal schools, universities, and colleges in the country that are establishing recreation centers. They are buying up land perhaps on one side of a lake or along a stream somewhere. They are setting up huts where they could go to spend week ends and rest, particularly students and teachers during the summer season. It seems to me that some of these surpluses could be turned over to those schools either on a loan basis or at a nominal price. Many of these scientific instruments could be turned over so that in case of another war the Government could call on the various schools and institutions for the return of them for use in the Army until newer instruments could be manufactured.

I have brought up the point, and I shall place in the RECORD a list of 710 or more American colleges and universities that could use these instruments; 225 normal schools; 430 junior colleges, all of which would have more or less of an interest in how we dispose of these scientific instruments and various articles, such as sporting goods, gymnasium equipment used in the Army camps, and training areas, which could be used in these educational institutions and recreation centers.

That is all I have to say on the subject. I hope some amendment will be provided to make this possible.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENDER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. VORYS of Ohio. I am very much interested in the gentleman's suggestion. Dean McQuigg of the Engineering School of Ohio State is chairman of the engineering societies of the country and has asked me about the possibility of securing, upon some satisfactory basis, the engineering instruments for use in the engineering colleges of the country. It seems to me it would be better to arrange for sale at a fair price rather than to lease-lend them, because, due to the advance of science they will probably lose their value for military purposes shortly,



while they could be valuable to students for a long time.

Mr. REED of New York. I appreciate the remarks of the gentleman. What the gentleman says is undoubtedly true. I wish I had time to give a little experience that I had after the last war where the State of New York was planning upon a 65,000-acre recreational park in the beautiful mountain section of my district and of Pennsylvania. The State did not have the ready money at that time to buy this surplus war material. I remember a very wealthy gentleman, a very fine man, came down to Washington and bought at very nominal rates, of course, blankets and tents and everything, he even bought a carload of nails, a street sprinkler, a steam shovel, and various things running up to about \$25,000. He wrote his check for it and had the material shipped there. It would have been 5 years longer to develop Allegany State Park had it not been for his generosity in stepping into the breach and purchasing surplus war material. But, bringing out another point, the endowments of many of our schools and colleges have suffered terrifically during this war. They will have a very hard post-war struggle. These surplus articles will mean a great deal to many colleges and schools. If some arrangement could be made so that they could be sold at a nominal sum or loaned and so distributed that all States would have the benefit of it, it would be a great help to the cause of education.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. VORYS of Ohio. Those institutions will be educating a great many ex-servicemen.

Mr. REED of New York. That is what I brought out in my remarks.

Mr. VORYS of Ohio. They are to receive up to \$500 a year tuition. If these instruments had a fair price placed on them, not unconscionably high or low, the Government could turn over these instruments in payment for part of the tuition of veterans, and that would be an excellent way of helping out the schools and the veterans and the Federal Treasury.

Mr. REED of New York. The gentleman has brought out what I am deeply interested in. Here is a House composed of some 435 highly intelligent, thoughtful men and women. I wish you would just focus on this thought. I believe that

there is an opportunity here to perform a fine public service. I have not the time to devote to the study of this that I should like to because of bills now pending before our committee which takes all of my time during the day and much of my time during the evening; but certainly the people who have this bill in charge here, before it becomes a law, can work out some formula, I am sure, by which the schools and the veteran students who come back from the war can have the benefit of all these fine scientific instruments and also these recreational centers which I am sure our schools are going to develop for the use of their students. They are bound to do that. I hope some way will be found whereby they may receive the benefit of this equipment which might otherwise be frittered away as was done in many instances in the last war.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. WRIGHT. As I read the bill I think the gentleman's plan can be accomplished under the present act because the act provides that the agency can dispose of the property by sale, exchange, or lease. No value is placed upon it; that is up to the Administrator. In all probability this is special-purpose equipment. It would not be available for any other purpose. Undoubtedly you would have to charge the cost.

Mr. REED of New York. What I am seeking to do in taking the floor today is to see if we can work out a formula so that these disposal agencies will recognize the intent of Congress that the educational institutions of this country shall have the benefit of the act.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Miss SUMNER of Illinois. Does not the gentleman believe that this Congress is inconsistent in that we pass individual bills appropriating \$100,000, \$200,000, but here we come along dealing with \$15,000,000,000 of property which is in effect an appropriation for specific purposes and Congress does not pass any separate bill allocating it but simply turns it over to an administrator to give to charity, to give aid to veterans, or a W. P. A. set-up if he wants to. Does not the gentleman think that is absolutely lax?

Mr. REED of New York. It would seem so to me. I tried to voice it this afternoon. There are very few so-called

supermen in this country in whom it is safe to vest too much discretion. This Congress owes a great responsibility to the public in the disposition of surplus property. I do not know what the dollar value of this property will amount to but I suppose all told a hundred billion dollars. This is surplus property that the people have paid for, much of which can be made very useful to society if we have the courage and the intelligence here to prepare a formula so that whoever is charged with the responsibility as time goes on of the handling or disposal of these valuable articles, scientific or otherwise, will have really a directive from this Congress.

Miss SUMNER of Illinois. In effect we are passing a sort of W. P. A. bill and a G. I. bill and various other kinds of bills but let one administrator decide what he wants to do with all this property.

Mr. REED of New York. I do not want to criticize anybody but it seems to me the bill is wide open; you could drive a team through it anywhere. I feel that we owe something to the people who have sacrificed, as many of them have sacrificed desperately to raise the money to pay for the billions of surplus property.

Miss SUMNER of Illinois. This bill is no criticism of any Member of Congress. It is the same thing they have been trying to get in first one committee and then another committee. It is just as broad as it was in the first phase.

Mr. REED of New York. Congress has plenty of time. The trouble is that so much important legislation is brought here under the plea of emergency, under conditions where it is urged that it must be passed at once. That is not the way to handle legislation.

In conclusion I set forth at this point the table on educational institutions in this country to which I referred earlier in my remarks this afternoon:

#### AMERICAN COLLEGES AND UNIVERSITIES

Source: This list is based on the 1943 Educational Directory of the United States Office of Education. The number of students is of those studying for degrees and does not include those taking extension courses or casual courses in the summer schools. The number of teachers is for the regular courses leading to degrees. The data are from questionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeducational; E., has extension courses; N., for Negroes only; S., summer school; W., women only. Colleges marked a star (\*) are land-grant colleges.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Ablene Christian (C., E., S.)	Ablene, Tex.	1906	Don H. Morris	518	34
Academy of the New Church (C.)	Bryn Athyn, Pa.		Rt. Rev. George de Charms	12	28
Adelphi (part C., E., S.)	Garden City, N. Y.	1896	Paul D. Eady	446	47
Adrian (C., S.)	Adrian, Mich.	1859	Samuel J. Harrison	162	20
Agnes Scott (W.)	Decatur, Ga.	1889	James R. McCain	539	65
Agricultural, Mechanical & Normal (C., E., S., N.)	Pine Bluff, Ark.	1873	Lawrence A. Davis	359	31
*Agricultural & Mechanical College of Texas (E., S.)	College Station, Tex.	1876	F. C. Bolton (Acting)	6,500	337
Agricultural & Technical (C., E., S., N.)	Greensboro, N. C.	1891	F. D. Bluford	935	58
Akron, University of (C., E., S.)	Akron, Ohio	1870	Hezleton E. Simmons	1,888	101
Alabama (W., E., S.)	Montevallo, Ala.	1898	A. F. Harman	622	71
*Alabama Polytechnic Institute (C., E., S.)	Auburn, Ala.	1872	D. N. Duncan	3,943	20
Alabama, University of (C., E., S.)	University (near Tuscaloosa), Ala.	1831	Raymond R. Paty	4,468	209
Alaska, University of (C., E.)	College (near Fairbanks), Alaska	1922	Charles E. Bunnell	162	28



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Albany (renamed Lewis and Clark)					
Albertus Magnus (W., E., S.)	New Haven, Conn.	1925	Sister M. Uriel	40	37
Albion (C., E., S.)	Albion, Mich.	1835	John L. Seaton	791	52
Albright (C., S.)	Reading, Pa.	1886	Harry V. Masters	381	30
Alcorn Agricultural & Mechanical (C., S., N.)	Alcorn, Miss.	1871	Wm. H. Bell	346	64
Alderson-Broadus (C., S.)	Philippi, W. Va.	1871	John W. Elliott	173	18
Alfred University (C., E., S.)	Alfred, N. Y.	1836	John N. Norwood	506	71
Allegheny (C., S.)	Meadville, Pa.	1815	John F. Schultz	750	57
Allen University (C., E., S., N.)	Columbia, S. C.	1870	S. Higgins	389	24
Alma (C., S.)	Alma, Mich.	1886	Roy W. Hamilton	300	30
Alma White (C., S.)	Zarephath, N. J.	1921	Arthur K. White	480	50
American International (C., E., S.)	Springfield, Mass.	1885	Chester S. McGown	576	32
American University (C., S.)	Washington, D. C.	1893	Paul F. Douglass	1,298	70
American University of Beirut (C., S.)	Beirut, Lebanon Rep.	1864	Bayard Dodge	2,277	162
American University of Cairo (C., E.)	Cairo, Egypt	1920	Charles R. Watson	491	42
Amherst (S.)	Amherst, Mass.	1821	Stanley King	875	83
Anderson College and Theological Seminary (C., S.)	Anderson, Ind.	1917	Jo n A. orrison	378	23
Antioch (C., S.)	Yellow Springs, Ohio	1853	A. D. Henderson	816	57
Aquinas (C., S.)	Grand Rapids, Mich.	1924	Arthur F. Bukowski	306	25
*Arizona, University of (C., E., S.)	Tucson, Ariz.	1835	Alfred Atkinson	2,523	200
Arkansas Baptist (C., N.)	Little Rock, Ark.	1884	T. W. Coggs	105	13
Arkansas (C., E., S.)	Batesville, Ark.	1872	John D. pragins, Jr.	94	15
Arkansas Agricultural and Mechanical (C., S.)	Monticello, Ark.	1909	Marvin S. Bankston	600	35
Arkansas State (C., E., S.)	Jonesboro, Ark.	1910	V. C. Kays	733	39
*Arkansas, University of (C., E., S.)	Fayetteville, Ark.	1871	Arthur M. Harding	2,278	187
Armour Institute of Technology. (See Illinois Institute of Technology)					
Asbury (C., S.)	Wilmore, Ky.	1890	Z. T. Johnson	477	26
Ashland (C., S.)	Ashland, Ohio	1878	E. G. Mason	197	34
Assumption	Worcester, Mass.	1904	Rev. Rodolphe L. Martel	38	10
Athens (C., E., S.)	Athens, Ala.	1842	E. R. Naylor	230	13
Atlanta University System:					
Atlanta University (C., S., N.)	Atlanta, Ga.	1867	Rufus E. Clement	125	21
Clark (C., N.)	do.	1869	J. B. Brawley	444	27
Morehouse (W., N.)	do.	1867	Benjamin E. Mays	415	63
School of Social Work (C., S., N.)	do.	1920	F. B. Washington	90	16
Spelman (W.)	do.	1881	Florence M. Read	327	35
Atlantic Christian (C., E., S.)	Wilson, N. C.	1902	H. S. Hilley	305	26
Atlantic Union (C., S.)	South Lancaster, Mass.	1882	George E. Jones	349	31
Augsburg College and Theological Seminary (C.)	Minneapolis, Minn.	1869	Bernhard Christensen	362	25
Augustana (C., S.)	Sioux Falls, S. Dak.	1860	L. M. Stavig	595	37
Augustana College and Theological Seminary (C., S.)	Rock Island, Ill.	1860	Conrad J. I. Bergendorff	674	52
Aurora (C., S.)	Aurora, Ill.	1893	Theodore P. Stephens	120	22
Austin (C., E., S.)	Sherman, Tex.	1849	Everett B. Tucker	250	18
Baker University (C., S.)	Baldwin City, Kans.	1858	Nelson P. Horn	314	31
Baldwin-Wallace (C., E., S.)	Berea, Ohio	1845	L. C. Wright	719	69
Barat College of Sacred Heart (W.)	Lake Forest, Ill.	1918	Rev. Mother E. Regan	140	25
Bard	Annandale, N. Y.	1860	Charles H. Gray (dean)	51	20
Barnard (W.)	New York, N. Y.	1889	V. C. Gildersleeve (dean)	1,013	108
Bates (C.)	Lewiston, Maine	1864	Clifton D. Gray	594	49
Baylor University (C., S.)	Waco, Tex.	1845	Pat M. Neff	2,000	120
Beaver (W., S.)	Jenkintown, Pa.	1853	Raymon M. Kistler	500	60
Belhaven (W., S.)	Jackson, Miss.	1884	G. T. Gillespie	260	30
Beloit (C., S.)	Beloit, Wis.	1846	W. Bradley Tyrrell	561	49
Benedict (C., E., N.)	Columbia, S. C.	1870	J. J. Starks	852	30
Bennett (W., S., N.)	Greensboro, N. C.	1926	David D. Jones	409	32
Bennington (W.)	Bennington, Vt.	1925	Lewis W. Jones	280	65
Berea (C.)	Berea, Ky.	1855	Francis S. Hutchins	941	49
Berry (C., S.)	Mount Berry, Ga.	1902	Gardner L. Green	650	150
Bessie Tift (W.)	Forsyth, Ga.	1847	C. L. McGinty	160	26
Bethany (C., S.)	Lindsborg, Kans.	1881	Emory Lindquist	211	32
Do.	Bethany, W. Va.	1840	W. H. Cramblet	479	33
Bethany-Peniel (C., S.)	Bethany, Okla.	1909	Sylvester T. Ludwig	350	22
Bethel (C., S.)	North Newton, Kans.	1887	E. G. Kaufman	321	32
Do.	McKenzie, Tenn.	1842	E. K. Reagin	119	15
Billings Polytechnic Institute (C., E., S.)	Polytechnic, Mont.	1908	Ernest T. Eaton	768	35
Birmingham-Southern (C., E., S.)	Birmingham, Ala.	1856	George R. Stuart	941	53
Bishop (C., E., S.)	Marshall, Tex.	1881	Joseph J. Rhoads	567	24
Bloomfield College and Seminary (C.)	Bloomfield, N. J.	1868	Joseph Hunter	86	16
Blue Mountain (C., S.)	Blue Mountain, Miss.	1873	Lawrence T. Lowry	289	28
Blue Ridge (C., S.)	New Windsor, Md.	1839	Arthur L. Hungerford	150	16
Bluffton (C., S.)	Bluffton, Ohio	1900	Lloyd E. Ramsever	156	25
Bob Jones (C.)	Cleveland, Tenn.	1927	Bob Jones, Jr. (acting)	550	45
Boston (part C., E., S.)	Newton, Mass.	1863	Very Rev. William J. Murphy	2,104	174
Boston University (C., E., S.)	Boston, Mass.	1839	Daniel L. Marsh	10,870	644
Bowdoin (S.)	Brunswick, Maine	1794	Kenneth C. M. Sills	585	64
Bowling Green State University (C., E., S.)	Bowling Green, Ohio	1910	F. J. Prout	1,683	90
Bradley Polytechnic Institute (C., E., S.)	Peoria, Ill.	1897	Frederic R. Hamilton	783	62
Brenau (W., E., S.)	Gainesville, Ga.	1873	A. C. Wheeler	375	42
Brescia (W., S.)	New Orleans, La.	1927	Rev. Mother Clarke	94	14
Briar Cliff (W., E., S.)	Sioux City, Iowa	1930	Sister M. Servatius	100	22
Bridgewater-Daleville (C., S.)	Bridgewater, Va.	1880	Paul H. Bowman	241	23
Brigham Young University (C., E., S.)	Provo, Utah	1876	Franklin S. Harris	2,000	135
Brooklyn (C., E., S.)	Brooklyn, N. Y.	1930	Harry D. Gideonse	8,658	454
Brown University (C., E., S.)	Providence, R. I.	1764	Henry M. Wriston	1,831	260
Bryn Mawr (W.)	Bryn Mawr, Pa.	1885	Katherine E. McBride	658	87
Bucknell University (C., E., S.)	Lewisburg, Pa.	1846	Arnold C. Marts	1,343	93
Buena Vista (C., S.)	Storm Lake, Iowa	1891	Henry Olson	260	26
Buffalo, University of (C., E., S.)	Buffalo, N. Y.	1846	S. P. Caspen (chancellor)	1,794	509
Butler University (C., E., S.)	Indianapolis, Ind.	1850	M. O. Ross	2,633	84
California Institute of Technology	Pasadena, Calif.	1891	Robert A. Millikan	1,121	200
*California, University of (C., E., S.)	Berkeley, Calif.	1868	Robert G. Sproul	13,567	1,079
*California, University of, at Los Angeles (C., S.)	Los Angeles, Calif.	1919	do.	8,015	482
*California, University of (other campuses)			do.	1,241	892
Calvin (C., E., S.)	Grand Rapids, Mich.	1876	Henry Schultze	476	25
Calvin Coolidge (C., S.)	Boston, Mass.	1936	A. Chesley York	75	10
Campbell (C., N.)	Jackson, Miss.	1890	S. L. Greene, Jr.	36	16
Canisius (part C., S.)	Buffalo, N. Y.	1870	Rev. T. J. Coughlin	1,123	54
Capital University (C., E., S.)	Columbus, Ohio	1850	Otto Mees	547	70
Carleton (C.)	Northfield, Minn.	1866	Donald J. Cowling	884	74
Carnegie Institute of Technology (C., S.)	Pittsburgh, Pa.	1900	Robert E. Doherty	2,347	412
Carroll (E., S.)	Helena, Mont.	1910	Rev. Emmet J. Riley	135	23
Carroll (C., S.)	Waukesha, Wis.	1846	Gerrit T. Vander Lugt	467	30
Carson-Newman (C.)	Jefferson City, Tenn.	1851	James T. Warren	421	30
Carthage (C., S.)	Carthage, Ill.	1870	Rudolph G. Schulz	246	24
Case School of Applied Science (S.)	Cleveland, Ohio	1880	William E. Wickenden	1,927	121
Catawba (C., S.)	Salisbury, N. C.	1851	Alvin R. Keppel	370	32



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Catholic (W., E., S.)	Guthrie, Okla.	1892	Rev. Mother Arvin	40	17
Catholic University (part C., E., S.)	Washington, D. C.	1887	Gerald F. Dillon (dean)	2,060	164
Cedar Crest (W.)	Allentown, Pa.	1867	Dale H. Moore	330	38
Cedarville (C., E., S.)	Cedarville, Ohio	1894	Ira D. Vayhinger	160	10
Centenary (C., S.)	Shreveport, La.	1826	Pierce Cline	457	40
Central (C., S.)	Pella, Iowa	1853	Irwin J. Lubbers	283	22
Do	Payette, Mo.	1857	Harry S. DeVore	507	44
Central Normal (C.)	Danville, Ind.	1876		30	8
Central Young Men's Christian Association (C., S.)	Chicago, Ill.	1919	E. J. Sparling	1,950	140
Centre (C., S.)	Danville, Ky.	1819	J. H. Hewlett (acting)	267	33
Chapman (C., S.)	Whittier, Calif.	1919	George N. Reeves	68	
Charleston, College of (C., S.)	Charleston, S. C.	1785	George D. Grice (acting)	313	21
Chattanooga, University of (C., S.)	Chattanooga, Tenn.	1886	David A. Lockmiller	540	48
Chestnut Hill (W., S.)	Philadelphia, Pa.	1871	Sister Maria Kostka	207	44
Chicago, University of (C., E., S.)	Chicago, Ill.	1892	Robert M. Hutchins	10,188	711
Chico State (C., S.)	Chico, Calif.	1889	A. J. Hamilton	239	49
Cincinnati, University of (C., E., S.)	Cincinnati, Ohio	1819	Raymond Walters	9,801	611
Citadel, The (Military)	Charleston, S. C.	1842	Gen. C. P. Summerall	1,180	105
City College (C., E., S.)	New York, N. Y.	1848	Harry N. Wright	16,815	872
Clafflin (C., N.)	Orangeburg, S. C.	1869	J. B. Randolph	279	24
Claremont Colleges (C., S.) (see Pomona College and Scripps College)	Claremont, Calif.	1925	Robert J. Bernard (director)	74	109
Clark (see Atlanta University System)					
Clark University (C., E., S.)	Worcester, Mass.	1887	Wallace W. Atwood	406	39
Clarke (W., S.)	Dubuque, Iowa	1843	Sister M. Ambrose	281	46
Clarkson College of Technology	Potsdam, N. Y.	1896	John A. Ross, Jr.	610	32
*Clemson Agricultural (S.)	Clemson, S. C.	1889	Robert F. Poole	2,370	114
Coe (C., E., S.)	Cedar Rapids, Iowa	1881	C. A. Anderson	728	62
Coker (W., limited E., S.)	Hartsville, S. C.	1908	C. Sylvester Green	228	28
Colby (C., S.)	Waterville, Maine	1818	J. S. Bixler	610	50
Colgate University	Hamilton, N. Y.	1819	Everett N. Case	550	86
College of the City of New York. (See City College.)					
Colorado (C., S.)	Colorado Springs, Colo.	1874	Charlie B. Hershey (acting)	679	57
Colorado School of Mines	Golden, Colo.	1874	Melville F. Coolbaugh	673	68
Colorado State College of Agriculture and Mechanic Arts (C., S.)	Fort Collins, Colo.	1879	Roy M. Green	1,116	146
*Colorado, University of (C., E., S.)	Boulder, Colo.	1875	Robert L. Stearns	4,358	319
*Colorado Northern Agricultural and Mechanical (C., S.)	Orangeburg, S. C.	1896	M. F. Whittaker	191	59
Columbia (W.)	Columbia, S. C.	1854	John C. Guilds	317	31
Columbia University, (part C., E., S.)	New York, N. Y.	1754	Nicholas M. Butler	13,121	2,115
Concordia (E., S.)	Moorhead, Minn.	1891	J. N. Brown	519	45
Connecticut College for Women (E., S.)	New London, Conn.	1911	Dorothy Schaffter	714	75
*Connecticut, University of (C., E., S.)	Storrs, Conn.	1881	Albert N. Jorgensen	2,692	216
Converse (W., S.)	Spartanburg, S. C.	1889	Edward M. Gwathmey	115	45
Cooper Union (C.)	New York, N. Y.	1859	Gano Dunn	550	165
Cornell (C., S.)	Mount Vernon, Iowa	1833	J. B. MacGregor (dean)	757	48
*Cornell University (C., E., S.)	Ithaca, N. Y.	1868	Edmund E. Day	6,472	1,193
Croighton University (part C., S.)	Omaha, Nebr.	1878	Rev. J. P. Zuercher	1,319	224
Culver-Stockton (C.)	Canton, Mo.	1853	Walker H. McDonald	281	24
Cumberland University (C., S.)	Lebanon, Tenn.	1842	Laban Lacy Rice	250	25
Dakota Wesleyan University (C., S.)	Mitchell, S. Dak.	1885	Joseph Edge	231	25
Dana College and Trinity Seminary (C., E.)	Blair, Nebr.	1884	Rev. L. Siersbeck	165	18
Daniel Baker (C., S.)	Brownwood, Tex.	1893	Thomas H. Hart	147	14
Dartmouth	Hanover, N. H.	1769	Ernest M. Hopkins	2,671	211
Davidson (S.)	Davidson, N. C.	1835	John R. Cunningham	650	45
Davis and Elkins (C., E., S.)	Elkins, W. Va.	1904	R. B. Purdum (acting)	169	17
Dayton, University of (C., S.)	Dayton, Ohio	1850	Rev. John A. Elbert	750	71
Defiance (C., S.)	Defiance, Ohio	1885	J. W. Claxton	209	20
De La Salle	Manila, P. I.	1911	Rev. Brother Xavier	209	17
*Delaware, University of (C., S.)	Newark, Del.	1833	Walter Hullihen	273	80
Denison University (C., S.)	Granville, Ohio	1831	Kenneth I. Brown	900	70
Denver, University of (C., E., S.)	Denver, Colo.	1864	Caleb F. Gates, Jr. (chancellor)	2,635	360
De Paul University (C., E., S.)	Chicago, Ill.	1894	Very Rev. M. O'Connell	5,158	195
De Pauw University (C., S.)	Greencastle, Ind.	1837	Clyde E. Wildman	1,703	109
De Sales (of Toledo, Ohio), suspended operations in June 1942.					
Detroit Institute of Technology (C., S.)	Detroit, Mich.	1891	Paul Hickey	1,660	101
Detroit, University of (C., S.)	do.	1877	Charles H. Cloud	2,550	201
Dickinson (C., S.)	Carlisle, Pa.	1771	Fred Pierce Corson	473	38
Dillard University (C., S., N.)	New Orleans, La.	1930	Albert W. Dent	337	22
Doane (C., S.)	Crete, Nebr.	1872	G. Bryant Drake	222	25
Dominican (W., S.)	San Rafael, Calif.	1890	Sister M. Thomas	181	37
Drake University (C., E., S.)	Des Moines, Iowa	1881	Henry G. Harmon	1,180	80
Drew University (C., S.)	Madison, N. J.	1867	Arlo A. Brown	375	41
Drexel Institute of Technology (C., S.)	Philadelphia, Pa.	1891	George P. Rea	2,057	125
Drury (C., S.)	Springfield, Mo.	1873	J. F. Findlay	303	35
Dropsie (C.)	Philadelphia, Pa.	1907	Abraham A. Neuman	35	8
Dubuque, University of (C., S.)	Dubuque, Iowa	1852	Dale D. Welch	426	31
Duquesne (W.)	Omaha, Nebr.	1915	Mother Helen Casey	110	20
Duke University (C., S.)	Durham, N. C.	1838	Robert L. Flowers	3,688	591
Dumbarton College of Holy Cross (W., S.)	Washington, D. C.	1935	Mother Elizabeth	104	21
Duquesne University (C., E., S.)	Pittsburgh, Pa.	1878	Very Rev. Raymond V. Kirk	1,407	151
D'Youville (W.)	Buffalo, N. Y.	1908	Sister Grace	292	34
Earlham (C., S.)	Richmond, Ind.	1847	William C. Dennis	400	40
Eastern Nazarene (C., S.)	Waltham, Mass.	1918	G. B. Williamson	237	18
Eastern New Mexico (C., E., S.)	Portales, N. Mex.	1931	Floyd D. Golden	225	45
Elizabethtown (C., E., S.)	Elizabethtown, Pa.	1900	A. Charles Baugher	131	16
Elmhurst (C.)	Elmhurst, Ill.	1871	Timothy Lehmann	384	39
Elmira (W.)	Elmira, N. Y.	1855	W. S. A. Pott	256	50
Elon (C., S.)	Elon College, N. C.	1889	L. E. Smith	467	28
Emerson (C., S.)	Boston, Mass.	1880	Harry S. Ross	114	27
Emmanuel (W.)	Boston, Mass.	1919	Sister Patricia	530	61
Emmanuel Missionary (C., S.)	Berrien Springs, Mich.	1874	Henry J. Klooster	392	37
Emory & Henry (C., S.)	Emory, Va.	1836	Foye G. Gibson	250	15
Emory University	Emory University (near Atlanta), Ga.	1836	Goodrich C. White	2,065	189
Emporia, College of (C., S.)	Emporia, Kans.	1882	Daniel A. Hirschler	262	24
Erskine (C., S.)	Dne West, S. C.	1839	R. C. Grier	150	25
Eureka (C., S.)	Eureka, Ill.	1855	Burrus Dickinson	160	22
Evansville (C., E., S.)	Evansville, Ind.	1854	Lincoln B. Hale	500	37
Fann (C., S.)	Cleveland, Ohio	1923	C. V. Thomas	2,123	295
Ferris Institute (C., E., S.)	Big Rapids, Mich.	1884	Merle S. Ward	151	15
Findlay (C., E., S.)	Findlay, Ohio	1882	C. A. Morey (Dean)	142	16
Fisk University (C., S., N.)	Nashville, Tenn.	1866	Thomas E. Jones	458	42
Flera Macdonald (W.)	Red Springs, N. C.	1896	Henry G. Bedinger	222	27
Florida Agricultural and Mechanical College for Negroes (C., E., S.)	Tallahassee, Fla.	1887	J. R. E. Lee	875	96

See footnotes at end of table.



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Florida Southern (C., S.)	Lakeland, Fla.	1885	Ludd M. Spivey	400	71
Florida State College for Women (S.)	Tallahassee, Fla.	1857	Doak S. Campbell	1,931	157
*Florida University of (E., S.)	Gainesville, Fla.	1853	John J. Tigert	2,710	180
Fontbonne (see St. Louis University)					
Fordham University (part C., E., S.)	New York, N. Y.	1841	Rev. Robert I. Gannon	3,314	269
Fort Hays Kansas State (C., E., S.)	Hays, Kans.	1901	L. D. Wooster	800	80
Franklin (C., S.)	Franklin, Ind.	1834	William G. Spencer	290	32
Franklin and Marshall	Lancaster, Pa.	1787	Theodore A. Distler	702	50
Fresno State (C., E., S.)	Fresno, Calif.	1911	Frank W. Thomas	1,329	107
Friends University (C., E., S.)	Wichita, Kans.	1898	W. A. Young	309	33
Furman University (C., S.)	Greenville, S. C.	1826	John L. Flyler	917	60
Gallaudet (C., S.)	Washington, D. C.	1864	Percival Hall	125	20
Geneva (C., E., S.)	Beaver Falls, Pa.	1848	Rev. M. M. Pearce	350	30
George Pepperdine (C., S.)	Los Angeles, Calif.	1937	Hugh M. Tiner	307	35
George Washington University (C., E., S.)	Washington, D. C.	1821	Cloyd Heck Marvin	8,000	500
George Williams (C., E., S.)	Chicago, Ill.	1890	Harold C. Coffman	230	23
Georgetown University	Washington, D. C.	1789	Very Rev. L. C. Gorman	2,250	535
Georgia School of Technology (E.)	Atlanta, Ga.	1888	M. L. Brittain	2,876	170
Georgia State (C., E., S.)	Industrial College (via Savannah), Ga.	1892	Benjamin F. Hubert	534	35
Georgia State College for Women (E., S.)	Milledgeville, Ga.	1891	Guy H. Wells	983	100
Georgia State Woman's (E., S.)	Valdosta, Ga.	1906	Frank R. Reade	265	25
*Georgia University of (C., S.)	Athens, Ga.	1801	Harmon W. Caldwell	1,502	190
Georgian Court (W.)	Lakewood, N. J.	1908	Mother Mary John	150	32
Gettysburg (C., S.)	Gettysburg, Pa.	1832	Henry W. A. Hanson	702	48
Gonzaga University (C., S.)	Spokane, Wash.	1887	Rev. Francis J. Altman	520	68
Good Counsel (W.)	White Plains, N. Y.	1923	Mother M. Aloysia	172	30
Goshen (C., S.)	Goshen, Ind.	1903	Ernest E. Miller	227	30
Goucher (W., S.)	Baltimore, Md.	1885	David A. Robertson	504	62
Greensboro (W.)	Greensboro, N. C.	1838	Luther L. Gobbel	384	32
Greenville (C., E., S.)	Greenville, Ill.	1892	H. J. Long	37	18
Grinnell (C., S.)	Grinnell, Iowa	1846	Samuel N. Stevens	383	51
Grove City (C., S.)	Grove City, Pa.	1876	Weir C. Keller	831	53
Guilford (C., S.)	Guilford College (near Greensboro), N. C.	1837	Clyde A. Milner	305	23
Gustavus Adolphus (C., S.)	St. Peter, Minn.	1862	Walter A. Lunden	480	35
Hamilton (S.)	Clinton, N. Y.	1812	W. H. Cowley	75	26
Hamline University (C., S.)	St. Paul, Minn.	1854	Charles N. Pace	668	42
Hampden-Sydney	Hampden-Sydney, Va.	1776	Edgar G. Gammon	343	19
Hampton Institute (C., E., S., N.)	Hampton, Va.	1868	Ralph P. Bridgman	833	93
Hanover (C., S.)	Hanover, Ind.	1827	Albert G. Parker, Jr.	300	02
Hardin-Simmons University (C., E., S.)	Abilene, Tex.	1891	W. R. White	890	41
Harding (C., S.)	Searcy, Ark.	1934	George S. Benson	292	32
Hartwick (C., E., S.)	Oneonta, N. Y.	1928	Henry J. Arnold	190	24
Harvard University (part C., S.)	Cambridge, Mass.	1636	James B. Conant	6,999	2,020
Hastings (C., E. limited, S.)	Hastings, Nebr.	1873	F. E. Weyer (dean)	407	32
Haverford	Haverford, Pa.	1833	Felix Morley	336	48
*Hawaii University of (C., E., S.)	Honolulu, T. H.	1907	Gregg M. Sinclair	866	64
Heidelberg (C., S.)	Tiffin, Ohio	1850	Clarence F. Josephson	398	35
Hendrix (C., S., E., S.)	Conway, Ark.	1884	J. H. Reynolds	347	31
High Point (C., E., S.)	High Point, N. C.	1924	G. I. Humphreys	415	25
Hillsdale (C., S.)	Hillsdale, Mich.	1844	Harvey L. Turner	300	25
Hiram (C., S.)	Hiram, Ohio	1850	Paul H. Fall	280	25
Hobart (S.)	Geneva, N. Y.	1822	John M. Potter	301	40
William Smith (W., S.)	do	1907	do	190	50
Hofstra (C., S.)	Hempstead, N. Y.	1935	Howard S. Brower (acting)	779	40
Hollins (W., S.)	Hollins College, Va.	1842	Bessie C. Randolph	331	41
Holy Cross, College of the	Worcester, Mass.	1843	Very Rev. Joseph Maxwell	1,160	84
Holy Names, College of the (W., S.)	Oakland, Calif.	1880	Sister Mary Loyola	253	35
Hood (W., E.)	Frederick, Md.	1893	Henry I. Stahr	400	52
Hope (C., S.)	Holland, Mich.	1866	Wynand Wichers	558	40
Houghton (C., S.)	Houghton, N. Y.	1883	Stephen W. Paine	392	37
Houston College for Negroes (C., S.)	Houston, Tex.	1927	F. E. Oberholtzer	326	20
Houston University of (C., E., S.)	Houston, Tex.	1934	E. E. Oberholtzer	2,000	56
Howard (C., E., S.)	Birmingham, Ala.	1842	Maj. Harwell G. Davis	616	33
Howard Payne (C., S.)	Brownwood, Tex.	1889	Thos. H. Taylor	408	20
Howard University (C., E., S., N.)	Washington, D. C.	1867	Mordecai W. Johnson	2,038	267
Humboldt State (C., E., S.)	Arcata, Calif.	1913	Arthur S. Gist	150	29
Hunter (W., E., S.)	New York, N. Y.	1870	George N. Shuster	13,846	615
Huntingdon (W., S.)	Montgomery, Ala.	1854	Hubert Searcy	464	43
Huntington (C., S.)	Huntington, Ind.	1896	Elmer Becker	100	14
Huron (C., E., S.)	Huron, S. Dak.	1883	George F. McDougall	107	25
Idaho, College of (C., S.)	Caldwell, Idaho	1891	William W. Hall, Jr.	299	26
*Idaho University of (C., E., S.)	Moscow, Idaho	1889	Harrison C. Dale	2,151	176
Illinois (C., S.)	Jacksonville, Ill.	1829	H. Gary Hudson	322	29
Illinois Institute of Technology (C., E., S.)	Chicago, Ill.	1893	Henry T. Heald	4,237	150
*Illinois University of (C., E., S.)	Urbana and Chicago, Ill.	1867	Arthur C. Willard	13,972	1,895
Illinois Wesleyan University (C., S.)	Bloomington, Ill.	1850	William E. Shaw	721	45
Immaculata (W., S.)	Immaculata, Pa.	1920	Rev. F. J. Furey	260	37
Immaculate Heart (C., S.)	Los Angeles, Calif.	1916	Sister Mary Eucharist	492	36
Incarinate World (W., S.)	San Antonio, Tex.	1900	Sister M. Columkille	536	51
Indiana Central (C., S.)	Indianapolis, Ind.	1902	I. J. Gould	284	22
Indiana Technical (C., S.)	Fort Wayne, Ind.	1930	Archie T. Keene	526	20
Indiana University (C., E., S.)	Bloomington, Ind.	1820	Herman B. Wells	6,411	418
*Iowa State College of Agriculture and Mechanical Arts (C., E., S.)	Ames, Iowa	1868	Charles E. Friley	6,167	490
Iowa University of (C., E., S.)	Iowa City, Iowa	1847	Virgil M. Hancher	6,471	559
Iowa Wesleyan (C., S.)	Mount Pleasant, Iowa	1842	Stanley B. Niles	311	20
Istanbul, Woman's College of	Istanbul, Turkey	1871	E. T. Burns (dean)	525	62
Jackson (now Mississippi Negro Training School, teachers' college)					
James Millikin University (C., E.)	Decatur, Ill.	1901	John C. Hessler	518	58
Jamestown (C., S.)	Jamestown, N. Dak.	1883	Barend H. Kroeze	348	34
Jarvis Christian (C., S., N.)	Hawkins, Tex.	1912	P. C. Washington	184	14
John Brown University (C., S.)	Siloam Springs, Ark.	1919	John E. Brown	200	25
John Fletcher (renamed Kletzing College)					
John B. Stetson University (C., S.)	DeLand, Fla.	1883	William S. Allen	470	53
John Carroll University (part C., E., S.)	Cleveland, Ohio	1886	Thomas J. Donnelly	784	45
Johns Hopkins University (part C., E., S.)	Baltimore, Md.	1876	Isaiah Bowman	1,567	671
Johnson Bible	Kimberlin Heights, Tenn.	1893	Robert M. Bell	133	8
Johnson C. Smith University (C., E., S., N.)	Charlotte, N. C.	1867	Henry L. McCrorey	444	27
Johnson (W., S.)	Marion, Ala.	1838	John Ingle Riddle	200	23
Juniata (C., E., S.)	Huntingdon, Pa.	1876	Charles C. Ellis	379	39
Kalamazoo (C., S.)	Kalamazoo, Mich.	1833	Paul L. Thompson	412	30
Kansas City University of (C., S.)	Kansas City, Mo.	1933	Clarence R. Decker	1,310	113
*Kansas State College of Agriculture and Applied Science (C., E., S.)	Lawrence, Kans.	1863	Milton S. Eisenhower	3,390	500
Kansas University of (C., E., S.)	Lawrence, Kans.	1865	D. W. Malott (chancellor)	3,879	250
Kansas Wesleyan University (C., S.)	Salina, Kans.	1886	E. K. Morrow	100	24
Kent State University (C., E., S.)	Kent, Ohio	1911	Karl C. Leebrick	1,709	115

See footnotes at end of table.



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Kentucky State College for Negroes (C., E., S.)	Frankfort, Ky.	1886	R. B. Atwood	393	44
*Kentucky University of (C., E., S.)	Lexington, Ky.	1865	Herman L. Donovan	3,153	339
Kentucky Wesleyan (C., S.)	Winchester, Ky.	1866	Paul Shell Powell	167	16
Kenyon	Gambier, Ohio	1824	Gordon K. Chalmers	182	35
Keuka (W.)	Keuka Park, N. Y.	1890	Henry E. Allen	153	23
King (C., S.)	Bristol, Tenn.	1867	R. T. L. Liston	209	15
Kletzing (C., S.)	University Park, Iowa	1906	Charles W. Butler	100	14
Knox (C.)	Qalesburg, Ill.	1837	Carter Davidson	123	35
Knoxville (C., S., N.)	Knoxville, Tenn.	1876	William L. Imes	565	21
Ladycliff (W., S.)	Highland Falls, N. Y.	1933	Most Rev. F. J. Spellman	184	31
Lafayette	Easton, Pa.	1825	William M. Lewis	127	80
LaGrange (W.)	LaGrange, Ga.	1831	Hubert T. Quillian	890	19
Lake Erie (W., E.)	Painesville, Ohio	1856	Helen D. Bragdon	138	32
Lake Forest University (C., S.)	Lake Forest, Ill.	1857	Ernest A. Johnson (acting)	148	347
Lambuth (C., S.)	Jackson, Tenn.	1924	R. E. Womack	167	21
Lander (W., S.)	Greenwood, S. C.	1872	J. Marvin Rast	323	35
Lane (C., S., N.)	Jackson, Tenn.	1880	J. F. Lane	314	386
Langston University (C., E., S., N.)	Langston, Okla.	1897	G. Lamar Harrison	133	79
La Verne (C.)	La Verne, Calif.	1891	C. Ernest Davis	133	35
Lawrence (C.)	Appleton, Wis.	1847	Ralph J. Watts (acting)	708	1,200
Lawrence Institute of Technology (C.)	Detroit, Mich.	1932	E. George Lawrence	1,367	36
Lebanon Valley (C., E., S.)	Annapolis, Pa.	1866	Clyde A. Lynch	1,179	230
Lehigh University (S.)	Bethlehem, Pa.	1865	Clement C. Williams	17	375
Leland (C., E., S., N.)	Baker, La.	1870	J. M. Frazier	402	35
Lemoine (C., S., N.)	Memphis, Tenn.	1871	Hollis F. Price	135	27
Lenoir Rhyne (C., S.)	Hickory, N. C.	1891	P. E. Monroe	327	402
Lewis and Clark (formerly Albany College) (E., S.)	Portland, Oreg.	1867	Morgan S. Odell	327	27
Lewis Institute (see Illinois Institute of Technology)				257	30
Limestone (W., S.)	Gaffney, S. C.	1845	R. C. Granberry	580	73
Lincoln Memorial University (C., S.)	Harragate, Tenn.	1897	Stewart W. McClelland	25	49
Lincoln University (C., E., S., N.)	Jefferson City, Mo.	1866	Sherman D. Scruggs	450	295
Lincoln University (N.)	Lincoln University, Pa.	1854	Walter L. Wright	295	31
Lindenwood Female (W.)	St. Charles, Mo.	1827	H. M. Gage	326	18
Linfield (C.)	McMinnville, Oreg.	1858	Harry L. Dillin	905	109
Livingstone (C., E., S., N.)	Salisbury, N. C.	1885	William J. Trent, Sr.	550	39
Long Island University (C., E., S.)	Brooklyn, N. Y.	1926	Tristram W. Metcalfe	314	1,403
Loras (E., S.)	Dubuque, Iowa	1839	Very Rev. M. J. Martin	6,092	37
Loretto Heights (W., S.)	Loretto, Colo.	1918	Paul J. Ketrick	278	11
Louisiana (C., E., S.)	Pineville, La.	1906	H. M. Weathersby (dean)	2,586	402
Louisiana Polytechnical Institute (C.)	Ruston, La.	1894	Claybrook Cottingham	215	31
Louisiana State University and Agricultural and Mechanical (C., E., S.)	Baton Rouge, La.	1860	Campbell B. Hodges	300	27
Louisville Municipal (C., S., N.)	Louisville, Ky.	1931	David A. Lane, Jr. (dean)	235	45
Louisville, University of (C., E.)	do.	1937	Einar W. Jacobsen	4,423	800
Lowell Textile Institute (C.)	Lowell, Mass.	1895	Charles H. Eames	196	34
Loyola	Baltimore, Md.	1852	Rev. Edward B. Bunn	1,163	144
Loyola University (part C., S.)	Los Angeles, Calif.	1865	Rev. Edward Whalen	435	22
Loyola University (part C., E., S.)	Chicago, Ill.	1870	Rev. Joseph M. Egan	667	70
West Baden (S.)	West Baden Springs, Ind.	1934	Very Rev. J. A. Maguire	713	68
Loyola University (part C., S.)	New Orleans, La.	1912	Rev. P. A. Roy	230	21
Luther (S.)	Decorah, Iowa	1861	O. J. H. Preus	1,836	168
Lynchburg (C., S.)	Lynchburg, Va.	1903	R. B. Montgomery	568	35
Macalester (C., S.)	St. Paul, Minn.	1885	Charles J. Turck	1,271	99
MacMurray (W., S.)	Jacksonville, Ill.	1846	C. E. Ficken	415	72
Madison (C., S.)	Madison College, Tenn.	1904	E. A. Sutherland	2,400	60
*Maine, University of (C., E., S.)	Orono, Maine	1865	Arthur A. Hauck	277	31
Manchester (C., S.)	North Manchester, Ind.	1895	V. F. Schwalm	150	24
Manhattan (E., S.)	do.	1863	Rev. Brother Victor	248	21
Manhattanville College of the Sacred Heart (W.)	Manila, Philippines	1841	Grace C. Dammann	4,197	432
Mapua Institute of Technology (C., S.)	Maricao, P. I.	1925	Thomas Mapua	1,463	115
Marietta (C., S.)	Marietta, Ohio	1835	Draper T. Schoonover	324	33
Marion (W., S.)	Indianapolis, Ind.	1937	Mother M. Clarissa	418	48
Marion (C., S.)	Marion, Ind.	1920	William F. McConn	653	72
Marquette University (C., E., S.)	Milwaukee, Wis.	1881	Rev. R. C. McCarthy	5,236	749
Marshall (C., E., S.)	Huntington, W. Va.	1837	John D. Williams	160	29
Mary Baldwin (W.)	Staunton, Va.	1842	L. Wilson Jarman	270	35
Mary Hardin-Baylor (W., E., S.)	Belton, Tex.	1854	Gordon G. Singleton	253	39
Marycrest (see St. Ambrose and Marycrest)					
Marygrove (W., S.)	Detroit, Mich.	1910	Sister M. Honora	653	72
*Maryland, University of (C., E., S.)	College Park and Baltimore, Md.	1807	Harry C. Byrd	5,236	749
Marylhurst (W., E., S.)	Marylhurst, Oreg.	1930	Sister Miriam Anna	160	29
Marymount (W., S.)	Salina, Kans.	1922	Mother M. Chrysostom	270	35
Marymount (W.)	Tarrytown, N. Y.		Mother M. Gerard	253	39
Maryville (Mo.) (see St. Louis University)					
Maryville (C., S.)	Maryville, Tenn.	1819	Ralph W. Lloyd	666	55
Marywood (W., E., S.)	Saratoga, Pa.	1915	Mother M. Marcella	465	40
*Massachusetts Institute of Technology (C., S.)	Cambridge, Mass.	1861	Karl T. Compton	3,000	687
*Massachusetts State (C., E., S.)	Amherst, Mass.	1863	Hugh P. Baker	1,292	135
McKendree (C., S.)	Lebanon, Ill.	1828	Clark R. Yost	152	22
McMurry (C., E., S.)	Abilene, Tex.	1923	H. G. Cooke	312	35
McPherson (C., S.)	McPherson, Kans.	1887	W. W. Peters	231	22
Mercer University (C., S.)	Macon, Ga.	1893	Spright Dowell	338	23
Mercedhurst (W., S.)	Eric, Pa.	1926	Sister M. DeSales	250	32
Meredith (W., S.)	Raleigh, N. C.	1869	Carlyle Campbell	416	38
Miami University (C., E., S.)	Coral Gables, Fla.	1926	Bowman F. Ashe	840	75
Miami University (C., E., S.)	Oxford, Ohio	1809	A. H. Upham	3,313	224
Michigan College of Mining and Technology (C., S.)	Houghton, Mich.	1885	Grover C. Dillman	795	74
*Michigan State College of Agriculture and Applied Science (C., E., S.)	East Lansing, Mich.	1855	John A. Hannah	6,724	503
Michigan, University of (C., E., S.)	Ann Arbor, Mich.	1817	Alexander G. Ruthven	11,705	821
Middlebury (C., S.)	Middlebury, Vt.	1800	Samuel S. Stratton	788	60
Middlesex University (C., S.)	Waltham, Mass.	1847	Samuel H. Wragg	550	75
Midland (C., E., S., N.)	Fremont, Neb.	1887	Fred C. Wiegman	315	28
Miles (C., E., S., N.)	Birmingham, Ala.	1907	W. A. Bell	200	21
Mills (part C., E., S.)	Oakland, Calif.	1877	Lynn White, Jr.	108	125
Milligan (C.)	Milligan College, Tenn.	1882	Charles E. Burns	236	20
Millsaps (C., S.)	Jackson, Miss.	1802	M. L. Smith	466	31
Milton (C.)	Milton, Wis.	1867	J. G. Meyer	161	20
Milwaukee-Downer (W., E.)	Milwaukee, Wis.	1861	Lucia R. Briggs	349	49
Mines and Metallurgy, School of (see Missouri, University of)					
*Minnesota, University of (C., E., S.)	Minneapolis, Minn.	1851	Walter C. Coffey	13,998	832
Misericordia College (W., E., S.)	Dallas, Pa.	1923	Sister M. Borromeo	250	40
Mission House College and Theological Seminary (C.)	Plymouth, Wis.	1862	Rev. Paul Grosshuesch	100	15
Mississippi Industrial (C., E., S., N.)	Holly Springs, Miss.	1905	W. M. Frazier	108	22
*Mississippi State (C., E., S.)	State College, Miss.	1878	G. D. Humphrey	1,997	120



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Mississippi State College for Women.	Columbus, Miss.	1884	B. L. Parkinson.	950	75
Mississippi University of (C., E., S.)	Oxford, Miss.	1848	Alfred Hume (acting chancellor)	1,280	105
*Missouri University of (C., E., S.)	Columbia, Mo.	1839	Frederick S. Middlebush	4,708	389
Mines and Metallurgy School of (C., S.)	Rolla, Mo.	1870	Curtis L. Wilson (dean)	953	75
Missouri Valley (C., S.)	Marshall, Mo.	1888	Thomas W. Bibb	191	22
Monmouth (C., S.)	Monmouth, Ill.	1853	James H. Grier	459	36
Montana School of Mines (C.)	Butte, Mont.	1895	Francis A. Thomson	302	21
*Montana State (C.)	Bozeman, Mont.	1893	E. R. Renne (acting)	1,703	223
Montana State University (C., E., S.)	Missoula, Mont.	1893	Ernest O. Melby	1,203	82
Moravian College and Theological Seminary (C., summer only)	Bethlehem, Pa.	1807	Roy D. Hassler (dean)	200	20
Moravian College for Women	do	1742	Edwin J. Heath	138	29
Morehouse (see Atlanta University System)					
Morgan State (C., S., N.)	Baltimore, Md.	1857	D. O. W. Holmes	463	32
Morningside (C., E., S.)	Sioux City, Iowa	1889	Earl A. Roadman	701	40
Morris (C., S., N.)	Sumter, S. C.	1907	James P. Garrick	419	24
Morris Brown (C., N.)	Atlanta, Ga.		William A. Fountain, Jr.		
Morris Harvey (C., E., S.)	Charleston, W. Va.	1888	Leonard Riggleman	51	28
Mount Angel (C., E., S.)	St. Benedict, Oreg.	1887	Rev. James E. Koessler	95	20
Mount Holyoke (W., S.)	South Hadley, Mass.	1837	Roswell G. Ham	1,044	141
Mount Mary (W., E., S.)	Milwaukee, Wis.	1915	Edward A. Fitzpatrick	318	48
Mount Mercy (W., E., S.)	Pittsburgh, Pa.	1929	Mother M. Doucherty	234	36
Mount St. Joseph, College of (W., S.)	Mount St. Joseph, Ohio	1920	Sister M. Corona	309	45
Mount St. Mary (W., E., S.)	Hooksett, N. H.	1934	Sister M. DeLa Salle	91	23
Mount St. Mary's (W., E., S.)	Los Angeles, Calif.	1925	Mother M. Doloresa	484	32
Mount St. Mary's (E., S.)	Emmitsburg, Md.	1808	Rt. Rev. J. L. Sheridan	302	33
Mount St. Scholastica College (C., S.)	Athol, Mass.	1926	Rev. Mother Dooley	313	38
Mount St. Vincent, College of (W.)	New York, N. Y.	1847	Sister Catharine (dean)	375	47
Mount Union (C., S.)	Alliance, Ohio	1846	Charles B. Ketcham	608	40
Muhlenberg (E., S.)	Allentown, Pa.	1848	Levering Tyson	350	40
Mundelein (W., S.)	Chicago, Ill.	1930	Sister M. Justitia	591	63
Municipal University of Omaha (C., E., S.)	Omaha, Nebr.	1908	Rowland Haynes	650	58
Municipal University of Wichita (C., E., S.)	Wichita, Kans.	1926	William M. Jardine	1,376	70
Muskingum (C., S.)	New Concord, Ohio	1837	Robert N. Montgomery	500	16
Nassau (W., S.)	Springvale, Maine	1912	Dawn N. Wallace	50	16
National University (C., S.)	Washington, D. C.	1860	Leslie C. Garnett (chancellor)	176	50
Do	Manila, P. I.	1900	Florentino Cayco	2,500	135
Nazareth (W., S.)	Louisville, Ky.	1920	Sister Mary Coady	668	51
Do	Nazareth, Mich.	1897	Sister M. Kevin	137	27
Nazareth (W., E., S.)	Rochester, N. Y.	1924	Rev. Mother Rose Miriam	210	40
Nebraska Central (C., S.)	Central City, Nebr.	1899	O. W. Carrell	80	8
*Nebraska University of (C., E., S.)	Lincoln, Nebr.	1869	C. S. Boucher (chancellor)	5,538	367
Nebraska Wesleyan University (C., E., S.)	do	1888	Benjamin F. Schwartz	391	36
Negro Agricultural and Technical (C., E., S.)	Greensboro, N. C.	1891	F. D. Bluford	902	85
*Nevada University of (S., S.)	Reno, Nev.	1874	Leon W. Hartman	744	82
*New Hampshire University of (C., E., S.)	Durham, N. H.	1866	Fred Engelhardt	1,961	193
New Jersey College for Women (see Rutgers University)					
*New Mexico College of Agriculture and Mechanical Arts (C., S.)	State College, N. Mex.	1889	J. W. Branson (dean)	607	85
New Mexico School of Mines (C.)	Socorro, N. Mex.	1889	Richard H. Reece	96	14
New Mexico University of (C., E., S.)	Albuquerque, N. Mex.	1889	J. F. Zimmerman	1,350	133
New Rochelle, College of (W.)	New Rochelle, N. Y.	1904	Mother Aquinas (dean)	791	55
New School for Social Research (C., S.)	New York, N. Y.	1919	Alvin Johnson (director)	284	112
New York, College of the City of (see City College)					
New York University (C., E., S.)	New York, N. Y.	1831	Harry W. Chase (chancellor)	26,520	1,857
Newark College of English (C., E., S.)	Newark, N. J.	1881	Allan R. Cullimore	1,184	91
Newark University of (C., S.)	do	1934	George H. Black	719	39
Newberry (C., S.)	Newberry, S. C.	1856	James C. Kinard	303	35
Newcomb Memorial College (see Tulane University, La.)					
Niagara University (C., E., S.)	Niagara Falls, N. Y.	1856	Rev. Joseph M. Noonan	1,035	107
North Carolina College for Negroes (C., S.)	Durham, N. C.	1925	James E. Shepard	784	40
North Carolina University of (C., E., S.)	Chapel Hill, N. C.	1789	Frank P. Graham	4,395	334
*North Carolina State College of Agriculture and Engineering (C., E., S.)	Raleigh, N. C.	1839	do	2,555	230
Women's, of University of North Carolina (E., S.)	Greensboro, N. C.	1892	Walter C. Jackson (dean)	1,924	166
North Central (C., S.)	Naperville, Ill.	1861	Edward E. Rall	561	43
*North Dakota Agricultural (C., E., S.)	Fargo, N. Dak.	1890	Franklin L. Eversull	1,542	116
North Dakota University of (C., E., S.)	Grand Forks, N. Dak.	1883	John C. West	1,294	115
Northeastern University (C.)	Boston, Mass.	1898	Carl S. Ell	3,748	251
Northland (C.)	Ashland, Wis.	1892	John A. Reuling	108	15
Northwest Nazarene (C.)	Nampa, Idaho	1913	Lewis T. Corlett	450	24
Northwestern (C.)	Watertown, Wis.	1865	E. E. Kowalke	110	11
Northwestern University (C., E., S.)	Evanston and Chicago, Ill.	1851	Franklyn B. Snyder	6,300	1,400
Norwich University	Northfield, Vt.	1819	John M. Thomas	519	52
Notre Dame, College of (W., E., S.)	Baltimore, Md.	1895	Sister Mary Frances	250	45
Notre Dame (W., E., S.)	Grzymes Hill, Staten Island, N. Y.	1931	Mother St. Agnes	170	23
Notre Dame (W., S.)	South Euclid, Ohio	1922	Mother M. Evarista	190	33
Notre Dame University of	Notre Dame, Ind.	1842	Rev. J. Hugh O'Donnell	2,634	221
Oakland City (C., S.)	Oakland City, Ind.	1885	W. P. Dearing	112	9
Oberlin (C., S.)	Oberlin, Ohio	1833	Ernest H. Wilkins	1,781	182
Occidental (C.)	Los Angeles, Calif.	1887	Remsen DuBois Bird	836	63
Oglethorpe University (C., E., S.)	Atlanta, Ga.	1913	Thornwell Jacobs	500	30
Ohio Northern University (C., E., S.)	Ada, Ohio	1870	Robert O. McClure	300	43
*Ohio State University (C., S.)	Columbus, Ohio	1870	Howard L. Bevis	14,881	1,263
Ohio University (C., E., S.)	Athens, Ohio	1804	W. S. Gamertsfelder	2,090	210
Ohio Wesleyan University (C., S.)	Delaware, Ohio	1842	Herbert J. Burgstahler	1,469	106
*Oklahoma Agricultural and Mechanical (C., E., S.)	Stillwater, Okla.	1891	Henry G. Bennett	5,040	38
Oklahoma Baptist University (C., S.)	Shawnee, Okla.	1910	John W. Raley	400	26
Oklahoma City University (C., E., S.)	Oklahoma City, Okla.	1911	Clustor Q. Smith	959	45
Oklahoma College for Women (S.)	Chickasha, Okla.	1908	M. A. Nash	850	65
Oklahoma University of (C., E., S.)	Norman, Okla.	1890	Joseph A. Brandt	4,865	298
Olivet (C., S.)	Olivet, Mich.	1844	Joseph Brewer	221	23
Olivet Nazarene (C., S.)	Kankakee, Ill.	1907	A. L. Parrott	425	25
*Oregon State (C., E., S.)	Corvallis, Oreg.	1868	August Leroy Strand	4,304	316
Oregon University of (C., E., S.)	Eugene, Oreg.	1872	Donald M. Erb	3,180	300
Ottawa University (C., S.)	Ottawa, Kans.	1865	Andrew B. Martin	268	25
Otterbein (C., S.)	Westerville, Ohio	1847	J. R. Howe	432	42
Our Lady of the Lake (C., S.)	Arkadelphia, Ark.	1886	James R. Grant	576	35
Our Lady of the Elms, College of (W., S.)	Cincinnati, Ohio	1935	Sister Marie Pierre	272	40
Our Lady of the Lake (W., S.)	Chicopee, Mass.	1928	Most Rev. T. M. O'Leary	164	17
Ozarks, College of the (C., E., S.)	San Antonio, Tex.	1896	John LaSalle McMahon	350	52
Pacific (C.)	Clarksville, Ark.	1891	Wiley Lin Hurie	158	16
Pacific, College of the (C., S.)	Nerberg, Oreg.	1891	Emmett W. Gulley	120	17
Pacific Union (C., S.)	Stockton, Calif.	1851	Tully C. Knoles	437	85
Pacific University (C., E., S.)	Angwin, Calif.	1913	W. I. Smith	603	42
Paine (C., E., S.)	Forest Grove, Oreg.	1849	W. C. Giersbach	261	21
Panhandle Agricultural and Mechanical (C., S.)	Augusta, Ga.	1903	Edmund C. Peters	201	16
Park (C., S.)	Goodwell, Okla.	1909	Edward L. Morrison	318	20
	Parkville, Mo.	1875	William L. Young	450	40

See footnotes at end of table.



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Parsons (C., E., S.)	Fairfield, Iowa	1875	Herbert C. Mayer	214	25
Pasadena (C., S.)	Pasadena, Calif.	1902	H. Orton Wiley	350	24
Paul Quinn (C., S., N.)	Waco, Tex.	1872	G. J. Davis	150	5
Pembroke College (see Brown University)					
Pennsylvania College for Women (S.)	Pittsburgh, Pa.	1869	Herbert L. Spencer	336	40
Pennsylvania Military (S.)	Chester, Pa.	1821	Col. Frank K. Hyatt	200	20
*Pennsylvania State (C., E., S.)	State College, Pa.	1855	Ralph D. Hetzel	6,866	545
Pennsylvania, University of (C., E., S.)	Philadelphia, Pa.	1710	Thomas S. Gates	9,861	1,300
Pharmacy, College of (C., E.)	New York, N. Y.	1829	C. W. Ballard (dean)	178	25
Philander Smith (C., E., S., N.)	Little Rock, Ark.	1868	M. LaFayette Harris	301	33
Philippines, University of the (C., E., S.)	Manila, Philippines	1908	B. M. Gonzales	7,971	715
Phillips University (C., S.)	Enid, Okla.	1907	Eugene S. Bridges	703	40
Piedmont (C., S.)	Demorest, Ga.	1897	Malcolm B. Dana	190	20
Pittsburgh, University of (C., E., S.)	Pittsburgh, Pa.	1787	J. G. Rowan (chancellor)	11,785	1,027
Polytechnical Institute of Brooklyn (E., S.)	Brooklyn, N. Y.	1854	J. S. Rogers	777	100
Ponoma (C.)	Claremont, Calif.	1887	E. Wilson Lyon	467	78
Portia (now Calvin Coolidge)					
Portland, University of (part C., S.)	Portland, Oreg.	1901	Rev. C. C. Miltner	733	56
Pratt Institute (C.)	Brooklyn, N. Y.	1887	Charles Pratt	1,017	108
Presbyterian (C., S.)	Clinton, S. C.	1880	William P. Jacobs	574	23
Princess Anne (C., N.)	Princess Anne, Md.	1886	R. A. Grigsby (dean)	83	17
Princeton University	Princeton, N. J.	1746	Harold W. Dodds	960	240
Principia (C., S.)	Elsah, Ill.	1910	Frederic E. Morgan	334	28
Providence (E., S.)	Providence, R. I.	1919	Very Rev. J. J. Dillon	375	65
Puerto Rico, Polytechnical Institute of (C., S.)	San German, P. R.	1912	Jarvis S. Morris	300	22
*Puerto Rico, University of (C., E., S.)	Rio Piedras, P. R.	1903	R. M. Ramos (acting)	6,425	274
Puert Sound, College of (C., S.)	Tacoma, Wash.	1888	R. Franklin Thompson	520	35
*Purdue University (C., E., S.)	Lafayette, Ind.	1869	Edward C. Elliott	7,885	588
Queens (C., E., S.)	Flushing, N. Y.	1937	Paul Klapper	1,853	160
Queens (W.)	Charlotte, N. C.	1857	Hunter B. Blakely	322	41
Quincy (C., S.)	Quincy, Ill.	1860	Rev. Seraphin Tibesar	100	15
Radcliffe (W.)	Cambridge, Mass.	1879	Wilbur K. Jordan	1,000	400
Randolph-Macon (S.)	Ashland, Va.	1830	J. Earl Moreland	234	18
Randolph-Macon Woman's	Lynchburg, Va.	1893	Theodore H. Jack	677	75
Redlands, University of (C., E., S.)	Redlands, Calif.	1907	Elam J. Anderson	106	63
Reed (C., S.)	Portland, Oreg.	1911	Arthur F. Scott (acting)	375	38
Regis (S.)	Denver, Colo.	1857	John J. Flanagan	243	19
Regis (W., E., S.)	Weston, Mass.	1927	Sister Honora	488	48
Rensselaer Polytechnic Institute (C.)	Troy, N. Y.	1824	William Otis Hotchkiss	1,497	160
*Rhode Island State (C., E.)	Kingston, R. I.	1892	Carl R. Woodward	1,100	107
Rice Institute (C.)	Houston, Tex.	1912	Edgar O. Lovett	1,323	86
Richmond, University of (C., S.)	Richmond, Va.	1832	Frederic W. Boatwright	900	90
Ricks (C., E., S.)	Rexburg, Idaho	1888	Hyrum Manwaring	275	16
Rider (C., S.)	Trenton, N. J.	1865	Franklin F. Moore	450	51
Ripon (C.)	Ripon, Wis.	1851	Clark G. Kuebler	456	37
Rivier (W., E., S.)	Nashua, N. H.	1933	Sister Marie Getty	48	14
Ronoke (C., S.)	Salem, Va.	1842	Chas. J. Smith	390	26
Robert College (S.)	Istanbul, Turkey	1863	Walter L. Wright, Jr.	900	123
Rochester, University of (part C., E., S.)	Rochester, N. Y.	1850	Alan Valentine	2,301	471
Rockford (W., E., S.)	Rockford, Ill.	1847	Mary A. Cheek	268	33
Rockhurst (E., S.)	Kansas City, Mo.	1910	William H. McCabe	304	26
Rollins (C., S.)	Winter Park, Fla.	1885	Hamilton Holt	445	70
Rosary (W., S.)	River Forest, Ill.	1901	Sister M. Evelyn	544	55
Rose Polytechnic Institute	Terre Haute, Ind.	1874	Donald B. Prentice	330	30
Rosemont (W.)	Rosemont, Pa.	1922	Mother M. Cleophas	275	42
Russell Sage (W., E.)	Troy, N. Y.	1916	Helen McKinstry (acting)	650	90
Rust (C., E., S., N.)	Holly Springs, Miss.	1866	L. M. McCoy	350	23
*Rueters University (C., E., S.)	New Brunswick, N. J.	1766	Robert C. Clothier	2,731	875
New Jersey College for Women	do	1918	Margaret T. Corwin (dean)	938	95
Sacred Heart, College of the (W.)	Grand Coteau, La.	1939	Mother M. Erskine	93	9
St. Ambrose (E., S.)	Davenport, Iowa	1882	Rt. Rev. A. J. Burke	500	45
Marycrest (W., S.)	do	1939	Mother M. Upham	250	33
St. Anselm's	Manchester, N. H.	1889	Rt. Rev. B. C. Dolan	213	26
St. Augustine's (C., N.)	Raleigh, N. C.	1867	Rev. Edgar H. Gould	200	15
St. Benedict, College of (W., S.)	St. Joseph, Minn.	1913	Mother R. Pratschner	191	37
St. Benedict's	Atchison, Kans.	1858	Cuthbert McDaniel	275	32
St. Bernardine of Siena (part C., S.)	Loudonville, N. Y.	1937	Rev. Cyprian Mensing	250	52
St. Bonaventure (part C., S.)	St. Bonaventure (near Allegany), N. Y.	1859	Rev. Thomas Plassmann	450	61
St. Catherine, College of (W., S.)	St. Paul, Minn.	1911	Sister Eucharista	600	55
St. Clare (W., E., S.)	Milwaukee, Wis.	1932	Mother M. Bartholomew	190	20
St. Edward's Seminary (S.)	Seattle, Wash.	1931	Very Rev. J. P. McCormick	100	13
St. Edward's University	Austin, Tex.	1878	Rev. S. F. Lisewski	115	21
St. Elizabeth, College of (W.)	Convent Station, N. J.	1899	Sister M. Jose Byrne	444	45
St. Francis (W., C., S.)	Lafayette, Ind.	1890	Rev. Mother Benigna	151	32
St. Francis, College of (W., S.)	Joliet, Ill.	1925	Sister M. Antica	301	45
St. Francis (S.)	Brooklyn, N. Y.	1858	Rev. Brother Jerome (dean)	190	23
Do	Loretto, Pa.	1847	Very Rev. John P. J. Sullivan	96	23
Do	Burlington, Wis.	1931	Very Rev. Isidore Cwiklinski	42	7
St. Francis Xavier (W., S.)	Chicago, Ill.	1912	Sister Mary Inez	400	36
St. John's	Annapolis, Md.	1784	Stringfellow Barr	96	20
St. John's University (S.)	Collegeville, Minn.	1857	Rt. Rev. Alcuin Deutsch	403	40
St. John's University (C., E., S.)	Brooklyn, N. Y.	1870	Very Rev. William Mahoney	3,500	209
St. Joseph (W., E., S.)	West Hartford, Conn.	1932	Sister M. Rosa (dean)	280	35
St. Joseph's (E., S.)	Collegeville, Ind.	1891	Very Rev. A. H. Dirksen	250	45
St. Joseph's (W., S.)	Emmitsburg, Md.	1902	Sister Paula	162	35
St. Joseph's (W., E., S.)	Portland, Maine	1915	Sister M. Honoratus (dean)	80	10
St. Joseph's	Princeton, N. J.	1914	Very Rev. Arthur Hamilton	301	44
St. Joseph's (W.)	Brooklyn, N. Y.	1856	Most Rev. Bishop Molloy	224	31
St. Joseph's	Philadelphia, Pa.	1852	Very Rev. Thomas J. Love	636	59
St. Lawrence University (C., E., S.)	Canton, N. Y.	1856	Harold H. Crimmins	4,830	570
St. Louis University (part C., S.)	St. Louis, Mo.	1818	Mother M. O'Neill	457	45
Fontbonne (W., S.)	do	1872	Mother Odeide Monton	170	27
Maryville (W., S.)	do	1915	George F. Donovan	182	39
Webster (W., S.)	Webster Groves, Mo.	1895	Rt. Rev. R. Heider	140	35
St. Martin's	Lisbon, Wash.	1923	A. M. Murphy	415	45
St. Mary (W., E., S.)	Xavier, Kans.	1924	Sister M. Alois	145	32
St. Mary of the Springs (W., E., S.)	Columbus, Ohio	1926	Sister Mary Agnes	105	19
St. Mary-of-the-Wasatch, College of (W., S.)	Salt Lake City, Utah	1863	Brother Austin	223	30
St. Mary's (S.)	St. Mary's College, Calif.	1814	Sister M. Madeira	366	59
St. Mary's (W., E., S.)	Holy Cross, Ind.	1885	Very Rev. L. J. Krzyzosiak	52	15
St. Mary's	Orchard Lake, Mich.	1913	Brother L. Jerome	360	35
St. Mary's (S.)	Winona, Minn.	1910	Sister Mary Dominic	179	21
St. Mary's Dominican (W., S.)	New Orleans, La.	1791	Very Rev. John F. Fenon	405	25
St. Mary's Seminary and University	Baltimore, Md.	1852	Rev. Walter F. Goltka	645	99
St. Mary's University (part C., S.)	San Antonio, Tex.	1904	Rev. James H. Petty	180	35
St. Michael's (S.)	Winooski Park, Vt.				



Name	Location	Year organized	Governing official	Number of students	Number of teachers
St. Norbert (S.)	West De Pere, Wis.	1898	Rt. Rev. B. H. Pennings	650	30
St. Olaf (C., S.)	Northfield, Minn.	1874	C. M. Granskou	1,078	78
St. Peter's	Jersey City, N. J.	1872	Very Rev. D. J. Comey	425	38
St. Procopius	Lisle, Ill.	1885	Rev. John F. Cherf	120	18
St. Rose, College of (W., E., S.)	Albany, N. Y.	1920	Mother Rose (dean)	312	42
St. Scholastica, College of (W., S.)	Duluth, Minn.	1912	Mother Athanasius	425	42
St. Teresa, College of (W., E., S.)	Winona, Minn.	1910	Sister Mary Molloy	372	40
St. Teresa, College of (W., S.)	Kansas City, Mo.	1916	Sister Simplicita	133	25
St. Thomas, College of (S.)	St. Paul, Minn.	1885	Very Rev. James H. Moynihan	700	42
St. Vincent (part C., E., S.)	Latrobe, Pa.	1846	Rt. Rev. Alfred Koch	435	51
Salem Academy and College (W., E.)	Winston-Salem, N. C.	1772	Howard E. Rondthaler	277	43
Salem (C., E., S.)	Salem, W. Va.	1888	S. Orestes Bond	191	18
Samuel Huston (C., E., S., N.)	Austin, Tex.	1876	Stanley E. Grannum	230	21
San Diego State (C., E., S.)	San Diego, Calif.	1898	Walter R. Hepner	1,482	81
San Francisco (W., S.)	San Francisco, Calif.	1930	Mother L. Mejia	918	72
San Francisco State (C., E., S.)	do.	1899	Alexander C. Roberts	1,374	88
San Francisco, University of (part C., S.)	do.	1855	William J. Dunne	874	52
San Jose State (C., E., S.)	San Jose, Calif.	1862	T. W. MacQuarrie	1,798	150
Santa Barbara State (C., E., S.)	Santa Barbara, Calif.	1909	Clarence L. Phelps	850	90
Santa Clara, University of	Santa Clara, Calif.	1851	Charles J. Walsh	531	56
Santo Thomas, University of (C., S.)	Manila, P. I.		Father Silvestre Sancho	4,580	210
Sarah Lawrence (W., S.)	Bronxville, N. Y.	1926	Constance Warren	297	60
Searritt (C., S.)	Nashville, Tenn.	1924	J. L. Cuninggim	135	15
School of Social Work. (See Atlanta University System.)					
Scranton, University of (part C., E., S.)	Scranton, Pa.	1888	Rev. W. Coleman Nevils	246	43
Scripps (W.)	Claremont, Calif.	1926	Mrs. E. W. Shirk (acting)	230	25
Seattle (C., E., S.)	Seattle, Wash.	1892	James B. McGoldrick (dean)	1,800	105
Seattle Pacific (C., S.)	do.	1891	C. Hoyt Watson	311	35
Seton Hall (part C., E., S.)	South Orange, N. J.	1856	Rt. Rev. Monsignor J. F. Kelley	578	62
Seton Hill (W., S.)	Greensburg, Pa.	1883	James A. Reeves	437	51
Shaw University (C., E., S., N.)	Raleigh, N. C.	1865	Robert P. Daniel	420	31
Shorter (C., N.)	North Little Rock, Ark.		G. A. Gregg	458	31
Shorter (W.)	Rome, Ga.	1873	Paul M. Cousins	194	24
Shurtleff (C., S.)	Alton, Ill.	1827	Guy Wimmer	230	26
Siena (part C., S.)	Memphis, Tenn.	1937	Sister Raymunda (dean)	200	17
Siena Heights (W., S.)	Adrian, Mich.	1919	Mother M. Gerald	215	23
Sillman University (C., S.)	Dumaguete, P. I.	1901	A. L. Carson	600	100
Simmons (W., E., S.)	Boston, Mass.	1899	Bancroft Beatley	1,376	141
Simpson (C., S.)	Indianola, Iowa	1837	Edwin E. Voigt	376	28
Sioux Falls (C., E., S.)	Sioux Falls, S. Dak.	1883	John L. Barton (acting)	173	17
Skidmore (W., S.)	Saratoga Springs, N. Y.	1911	Henry T. Moore	837	79
Smith (W., S.)	Northampton, Mass.	1871	Herbert Davis	2,076	247
South Carolina State Agricultural and Mechanical (C., S., N.)	Orangeburg, S. C.	1896	Miller F. Whittaker	640	83
South Carolina, University of (C., E., S.)	Columbia, S. C.	1801	J. Rion McKissick	1,780	125
South Dakota, University of (C., E., S.)	Vermillion, S. Dak.	1882	I. D. Weeks	890	90
South Dakota School of Mines (C.)	Rapid City, S. Dak.	1885	Joseph P. Connolly	433	35
*South Dakota State College of Agricultural and Mechanical Arts (C., S.)	Brookings, S. Dak.	1881	Lyman E. Jackson	1,186	125
South, University of (part C., S.)	Sewanee, Tenn.	1857	Alexander Guerry	365	30
Southern California, University of (C., E., S.)	Los Angeles, Calif.	1879	R. B. von Klein Smid	8,000	750
Southern Methodist University (C., E., S.)	Dallas, Tex.	1911	Umphey Lee	2,113	138
Southeastern Louisiana (C., S.)	Hammond, La.	1925	J. Leon Clark	545	48
Southeastern University (C., E., S.)	Washington, D. C.	1917	James A. Bell	500	46
Southern University and Agricultural and Mechanical College (C., E., S., N.)	Baton Rouge, La.	1880	Felton G. Clark	865	82
Southwestern (C., S.)	Winfield, Kans.	1885	Charles E. Schofield	455	33
Do.	Memphis, Tenn.	1848	Charles E. Diehl	461	29
Southwestern Louisiana Institute of Liberal and Technical Learning (C., S.)	Lafayette, La.	1898	Joel L. Fletcher	1,944	130
Southwestern University (C., E., S.)	Georgetown, Tex.	1840	J. N. R. Score	398	57
Spelman (see Atlanta University System).					
Spring Hill (part C., E., S.)	Spring Hill, Ala.	1830	Very Rev. W. D. O'Leary	200	22
Springfield (E., S.)	Springfield, Mass.	1885	Ernest M. Best	400	33
Stanford University (C., S.)	Stanford University, Calif.	1885	Ray Lyman Wilbur (chancellor)	4,108	775
State Agricultural and Mechanical Institute (C., E., S., N.)	Normal, Ala.	1875	J. F. Drake	560	62
State College for Colored Students (C., E.)	Dover, Del.	1891	Howard D. Gregg	150	31
Sterling (C., E., S.)	Sterling, Kans.	1887	Hugh A. Kelsey	208	25
Stevens Institute of Technology	Hoboken, N. J.	1870	Harvey N. Davis	1,140	79
Storer (C., E., S., N.)	Harpers Ferry, W. Va.	1867	Henry T. McDonald	51	10
Suffolk University (C., S.)	Boston, Mass.	1906	Gleason L. Archer	100	16
Susquehanna University (C., S.)	Selinsgrove, Pa.	1858	G. Morris Smith	200	30
Swarthmore (C., S.)	Swarthmore, Pa.	1864	John Nason	783	87
Sweet Briar (W.)	Sweet Briar, Va.	1901	Meta Glass	454	52
Syracuse University (C., E., S.)	Syracuse, N. Y.	1870	Wm. P. Tolley (chancellor)	6,326	678
Talladega (C., N.)	Talladega, Ala.	1867	Buell G. Gallagher	262	28
Tampa, University of (C., S.)	Tampa, Fla.	1931	James E. Mooney	300	40
Tarkio (C., E., S.)	Tarkio, Mo.	1883	M. E. Collins	184	18
Taylor University (C., S.)	Upland, Ind.	1846	Robert L. Stuart	250	22
Temple University (C., E., S.)	Philadelphia, Pa.	1884	Robert L. Johnson	5,341	655
Tennessee College for Women (E., S.)	Murfreesboro, Tenn.	1906	John B. Clark	70	12
Tennessee Polytechnic Institute (C., S.)	Cookeville, Tenn.	1915	Everett Derryberry	643	42
*Tennessee, University of (C., E., S.)	Knoxville, Tenn.	1794	James D. Hoskins	4,261	223
Texas Christian University (C., E., S.)	Fort Worth, Tex.	1873	M. E. Sadler	1,132	80
Texas (C., E., S., N.)	Tyler, Tex.	1894	Dominion R. Glass	1,068	42
Texas College of Arts and Industry (C., E., S.)	Kingsville, Tex.	1925	E. N. Jones	1,286	80
Texas College of Mines and Metallurgy (C., S.)	El Paso, Tex.	1913	D. M. Wiggins	877	56
Texas Technological (C., E., S.)	Denton, Tex.	1901	Louis H. Hubbard	2,266	156
Texas, University of (C., E., S.)	Lubbock, Tex.	1925	Clifford B. Jones	3,079	201
Texas Wesleyan (C., S.)	Austin, Tex.	1883	Homer P. Rainey	8,909	541
Thiel (C., S.)	Fort Worth, Tex.	1892	Law Sone	486	38
Tillotson (C., S., N.)	Greenville, Pa.	1870	William F. Zimmerman	200	21
Toledo, University of (C., S.)	Austin, Tex.	1877	Mary E. Branch	527	24
Tougaloo (C., E., S., N.)	Toledo, Ohio	1884	Philip C. Nash	2,785	156
Trevecca Nazarene (C., S.)	Tougaloo, Miss.	1869	Judson L. Cross	483	36
Trinity (part C., E., S.)	Nashville, Tenn.	1901	A. B. Mackey	84	12
Trinity (W.)	Hartford, Conn.	1823	Arthur H. Hughes	458	55
Trinity (E.)	Washington, D. C.	1897	Sister C. Dorothea	360	55
Trinity (W., E., S.)	Sioux City, Iowa	1913	Rev. E. M. Leimkuhler	34	11
Trinity University (C., S.)	Burlington, Vt.	1925	Sister M. Cephas (dean)	72	16
Tufts (C., E., S.)	San Antonio, Tex.	1869	Monroe G. Everett	306	36
Tulane University (part C., S.)	Medford, Mass.	1852	Leonard Carmichael	2,291	645
Newcomb Memorial, H. Sophie (W.)	New Orleans, La.	1834	Rufus C. Harris	4,418	640
Tulsa, University of (C., S.)	do.	1886	Frederick Hard (dean)	766	72
Tusculum (C., S.)	Tulsa, Okla.	1894	C. I. Pontius	899	76
	Greenville, Tenn.	1794	John McSween	300	26



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Tuskegee Institute (C., S., N.)	Tuskegee Institute, Ala.	1879	Frederick D. Patterson	1,162	184
Union (C., E., S.)	Barbourville, Ky.	1879	Conway Boatman	180	21
Union (C., S.)	Lincoln, Nebr.	1891	E. E. Cossentine	430	34
Union (S.)	Schenectady, N. Y.	1795	Dixon R. Fox	742	88
Union University (O., S.)	Jackson, Tenn.	1834	John J. Hurt	260	27
U. S. Coast Guard Academy (part C.)	New London, Conn.	1876	Rear Admiral James Pine, U. S. Coast Guard.	1,455	141
U. S. Military Academy	West Point, N. Y.	1802	Maj. Gen. F. B. Wilby, (Superintendent)	1,407	372
U. S. Naval Academy	Annapolis, Md.	1845	Rear Admiral John R. Beardall (Superintendent)	3,028	405
Upper Iowa University (C., S.)	Fayette, Iowa	1854	V. T. Smith	280	20
Upsala (C., E., S.)	East Orange, N. J.	1893	Evald B. Lawson	300	25
Ursinus (C., S.)	Collegeville, Pa.	1869	Norman E. McClure	535	40
Ursuline (La.) (now Brescia College)	Louisville, Ky.	1938	Mother Mary Roberta	215	25
Ursuline (W., S.)	Cleveland, Ohio	1871	Mother Marie	180	30
Ursuline (W.)	Logan, Utah	1890	E. G. Peterson	1,034	135
*Utah State Agricultural (C., E., S.)	Salt Lake City, Utah	1850	LeRoy E. Cowles	4,608	265
Utah, University of (C., E., S.)	Valparaiso, Ind.	1859	Otto P. Kretzmann	383	42
Valparaiso University (C., S.)	Nashville, Tenn.	1873	Oliver C. Carmichael (chancellor)	1,887	434
Vanderbilt University (C., S.)	Poughkeepsie, N. Y.	1861	Henry N. MacCracken	1,280	188
Vassar (W.)	Burlington, Vt.	1791	John S. Millis	1,227	175
*Vermont, University of, and State Agricultural College (C., S.)	Covington, Ky.	1923	Rev. Edmund Corby	105	13
Villa Madonna (W., S.)	Erie, Pa.	1925	Joseph J. Wehrle	384	32
Villa Maria (W., E., S.)	Villanova, Pa.	1842	Edward V. Stanford	863	71
Villanova (part C., E., S.)	Lexington, Va.	1839	C. E. Kilbourne (superintendent)	730	57
Virginia Military Institute	Blacksburg, Va.	1872	Julian A. Burruss	3,582	224
*Virginia Polytechnic Institute (C., S.)	Lynchburg, Va.	1887	W. H. R. Powell	56	18
Virginia Theological Seminary and College (C., N.)	Petersburg, Va.	1882	Luther H. Foster	1,021	93
Virginia State College for Negroes (E., S.)	Richmond, Va.	1899	J. Malcus Ellison	533	34
Virginia Union University (C., S., N.)	Charlottesville, Va.	1819	John L. Newcomb	2,488	310
Virginia, University of (part C., E., S.)	Crawfordsville, Ind.	1832	Frank H. Sparks	389	30
Wabash (S.)	Staten Island, N. Y.	1883	Clarence C. Stoughton	280	29
Wagner Memorial Lutheran (C., E., S.)	Wake Forest, N. C.	1834	Thurman D. Kitchin	1,037	144
Wake Forest (part C., S.)	College Place, Wash.	1892	George W. Bowers	427	46
Walla Walla (C., S.)	Waverly, Iowa	1868	E. J. Braulick	124	25
Warburg (C.)	Topeka, Kans.	1865	Bryan S. Stoffer	725	65
Washburn Municipal University (C., S.)	Chestertown, Md.	1782	Gilbert W. Mead	336	28
Washington (C., E., S.)	Washington, Pa.	1780	Ralph C. Hutchison	555	51
Washington and Jefferson (S.)	Lexington, Va.	1749	Francis P. Gaines	678	65
Washington and Lee University (S.)	Takoma Park, D. C.	1904	B. G. Wilkenson	350	23
Washington Missionary (C., S.)	Pullman, Wash.	1890	Ernest O. Holland	3,552	245
*Washington, State College of (C., E., S.)	St. Louis, Mo.	1853	George R. Throop	3,432	633
Washington University (C., E., S.)	Seattle, Wash.	1861	L. P. Sieg	9,002	450
Washington, University of (C., E., S.)	Detroit, Mich.	1783	Warren E. Bow	7,383	843
Wayne University (C., S.)	Waynesburg, Pa.	1850	Paul Rich Stewart	303	23
Waynesburg (C., S.)	Wellesley, Mass.	1870	Mildred H. McAfee	1,500	195
Webster. (See St. Louis University.)	Aurora, N. Y.	1868	W. E. Weld	253	45
Wellesley (W.)	Grand Forks, N. Dak.	1892	T. Ross Hicks	20	10
Wells (W.)	Macon, Ga.	1836	N. C. McPherson, Jr.	363	53
Wesley (C., E., S.)	Middletown, Conn.	1831	Victor L. Butterfield	575	82
Wesleyan (W.)	Montgomery, W. Va.	1895	Edward S. Maclin	90	28
Wesleyan University (S.)	Institute, W. Va.	1891	John W. Davis	781	45
West Baden (see Loyola University, Ill.)	Morgantown, W. Va.	1867	Charles E. Lawall	2,781	270
West Virginia Institute of Technology (C., E., S.)	Buckhannon, W. Va.	1886	J. W. Broyles	350	31
West Virginia State (C., E., S., N.)	Oxford, Ohio	1853	Mary M. D. Thomson	275	41
*West Virginia University (C., E., S.)	Westminster, Md.	1867	Fred G. Holloway	597	54
West Virginia Wesleyan (C., E., S.)	Cleveland, Ohio	1826	Winfred G. Leutner	8,914	652
Western (W.)	Le Mars, Iowa	1900	D. O. Kime	246	21
Western Maryland (C., E., S.)	Fulton, Mo.	1851		369	18
Western Reserve University (part C.)	New Wilmington, Pa.	1852	Rev. R. F. Galbreath	629	50
Western Union (C., S.)	Wheaton, Ill.	1860	V. Raymond Edman	1,279	75
Westminster (S.)	Norton, Mass.	1834	J. Edgar Park	465	70
Westminster (C., S.)	Walla Walla, Wash.	1859	Winslow S. Anderson	603	45
Wheaton (C., S.)	Whittier, Calif.	1901	H. F. Spencer (acting)	690	50
Wheaton (W.)	Spokane, Wash.	1890	Frank F. Warren	250	26
Whitman (C.)	Wilberforce, Ohio	1856	Charles H. Wesley	763	79
Whittier (C., E., S.)	Marshall, Tex.	1873	M. W. Dogan	550	40
Whitworth (C., S.)	Salem, Ore.	1842	G. Herbert Smith	450	46
Wilberforce University (C., E., S., N.)	Dayton, Tenn.	1926	Judson A. Rudd	68	11
Wiley (C., E., S., N.)	Liberty, Mo.	1849	H. I. Hester	419	26
Willamette University (C., S.)	Williamsburg, Va.	1693	John E. Pomfret	1,489	93
William Jennings Bryan University (C.)	Oskaloosa, Iowa	1873	Errol F. Elliott	185	17
William Jewell (C., S.)	Williamstown, Mass.	1793	James P. Baxter 3d	800	90
William Smith (see Hobart College)	Wilmington, Ohio	1870	S. Arthur Watson	160	20
Williams	Chambersburg, Pa.	1869	Paul S. Havens	349	55
Wilmington (C., E., S.)	Rock Hill, S. C.	1886	Shelton Phelps	1,564	120
Wilson (W.)	Madison, Wis.	1849	Clarence A. Dykstra	9,466	600
Winthrop (W., S.)	Springfield, Ohio	1845	Reed E. Tulloss	631	63
Wisconsin, University of (C., E., S.)	Spartanburg, S. C.	1851	W. K. Greene	404	25
Wittenberg (C., E., S.)	Wooster, Ohio	1866	Charles F. Wishart	845	70
Woman's College (see New York, University of)	Worcester, Mass.	1865	Wat Tyler Cluverius	631	69
Woodford (S.)	Laramie, Wyo.	1887	J. L. Morrill	1,590	135
Wooster, College of (C., S.)	New Orleans, La.	1925	Mother M. Agatha	543	70
Worcester Polytechnic Institute	Cincinnati, Ohio	1831	Clestin J. Steiner	1,441	63
*Wyoming, University of (C., E., S.)	New Haven, Conn.	1701	Charles Seymour	1,725	880
Xavier University (C., E., S., N.)	Yankton, S. Dak.	1881	W. C. Lang (acting)	229	25
Xavier University (part C., S.)	New York City	1924	Rabbi Dr. Samuel Berkin	561	65
Yale University (part C.)	York, Nebr.	1890	D. E. Welder	118	17
Yankton (C., E., S.)	Youngstown, Ohio	1908	Howard W. Jones	1,580	45
Yeshiva (S.)					
York (C., S.)					
Youngstown (C., S.)					

<sup>1</sup> The College, 1,001; Pembroke College (for undergraduate women), 370; the Graduate School (for men and women), 160; other military, 400. Total, 1,831.

<sup>2</sup> Includes Barnard College, Teachers College, College of Pharmacy, Bard College, and New York Post Graduate Medical School. All data from 1943 World Almanac.

<sup>3</sup> Men may attend evening and summer sessions as nonmatriculated students.

<sup>4</sup> A consolidation of Armour Institute of Technology (1892) and Lewis Institute (1894).

<sup>5</sup> Registered for courses, 2,500; total teachers, including lecturers, visiting professors, etc., 232.



## AMERICAN JUNIOR COLLEGES

Source: This list is based on the 1943 Educational Directory of the United States Office of Education. The data are from ques-

tionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeducational; E., has extension courses; N., for

Negroes only; S., summer school; W., women only. The governing official is the president unless otherwise stated.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Abraham Baldwin Agricultural (C., S.)	Tifton, Ga.	1933	George H. King	275	21
Albert Lea Junior (Minn.) (closed for the duration).					
Albia Junior (Iowa) (discontinued for the duration).					
All Saints Episcopal (W.)	Vicksburg, Miss.	1908	Rev. W. G. Christian	64	16
Alliance	Cambridge Springs, Pa.	1912	John J. Kolasa	123	14
Altus (C., S.)	Altus, Okla.	1926	A. G. Steele	281	15
Amarillo (C., S.)	Amarillo, Tex.	1929	E. C. Shearer (acting)	433	22
American College of Physical Education (C., E., S.)		1908	Charles O. Carlstrom	125	7
Anderson (W.)	Anderson, S. C.	1911	Annie D. Denmark	225	20
Andrew (W.)	Cuthbert, Ga.	1854	S. C. Deliff	86	14
Antelope Valley Junior (C.)	Lancaster, Calif.	1929	David J. Roach (dean)	60	14
Arkansas City Junior (C., S.)	Arkansas City, Kans.	1922	C. E. St. John	151	20
Arkansas Polytechnic (C.)	Russellville, Ark.	1909	J. W. Hull	758	32
Arlington Hall (Washington, D. C.) (closed for the duration).					
Armstrong (C., E., S.)	Berkeley, Calif.	1918	J. Evan Armstrong	200	20
Armstrong Junior (C., S.)	Savannah, Ga.	1935	F. M. Hawes (acting)	244	13
Ashland Junior (C., S.)	Ashland, Ky.	1938	O. B. Dabney (dean)	160	12
Augusta, Junior College of (C., E., S.)	Augusta, Ga.	1925	Eric W. Hardy	276	33
Austin Evening Junior (C.)	Chicago, Ill.	1937	Charles L. MacCallum	2,100	44
Austin Junior (C., S.)	Austin, Minn.	1940	R. I. Meland (dean)	75	11
Averett (W., E., S.)	Danville, Va.	1859	Curtis Bishop	259	25
Bacone (C.)	Muskogee, Okla.	1880	Rev. Earl L. Riley	175	17
Bakersfield Junior (C.)	Bakersfield, Calif.	1913	Grace V. Bird (director)	428	31
Barber-Scotia (W., E., N.)	Concord, N. C.	1867	L. S. Cozart	139	12
Bartlesville College-High School (C.)	Bartlesville, Okla.	1927	Paul C. Norvell (principal)	84	25
Bay City Junior (C., S.)	Bay City, Mich.	1922	Geo. E. Butterfield (dean)	241	28
Beckley (C., S.)	Beckley, W. Va.	1933	J. Lewis Bumgardner	250	17
Belmont Abbey (S.)	Belmont, N. C.	1878	Rev. B. C. Lightner (vice president)	175	22
Bennett Junior (W.)	Millbrook, N. Y.	1891	Courtney Carroll	150	45
Bergen Junior (C., S.)	Teaneck, N. J.	1933	C. L. Littell	580	25
Bethany Lutheran (C.)	Mankato, Minn.	1911	S. C. Yevisaker	55	14
Bethune-Cookman (C., S., N.)	Daytona Beach, Fla.	1904	James A. Costlon	474	21
Bettis Academy (C., E., N.)	Trenton, S. C.	1881	A. W. Nicholson		18
Bismarck Junior (C., S.)	Bismarck, N. Dak.	1939	Walter J. Swensen (dean)	142	12
Blackburn University (C.)	Carlinville, Ill.	1937	William M. Hudson	286	20
Blackstone (W.)	Blackstone, Va.	1894	J. Paul Glick	175	21
Blinn (C., S.)	Brenham, Tex.	1883	C. F. Schmidt	150	11
Bloomfield Junior (C.)	Bloomfield, Iowa		E. T. Carlstedt (dean)		
Bluefield (C., S.)	Bluefield, Va.	1922	Edwin C. Wade	265	17
Boiling Springs Junior (name changed to Gardener-Webb Junior).					
Boise Junior (C., S.)	Boise, Idaho	1932	Conan E. Mathews (dean)	351	29
Boone Junior (C.)	Boone, Iowa	1926	J. R. Thorngren (dean)	70	10
Bradford Junior (W.)	Bradford, Mass.	1803	Dorothy M. Bell	259	28
Branch Agricultural College (C., E., S.)	Cedar City, Utah	1897	E. G. Peterson	500	28
Brawley Junior (C.)	Brawley, Calif.	1924	Percy E. Palmer (principal)	12	15
Brevard (C., S.)	Brevard, N. C.	1933	E. J. Coltrane	275	20
Brewton-Parker Institute (C., E.)	Mount Vernon, Ga.	1904	R. L. Robinson	202	11
Briarcliff Junior (W.)	Briarcliff Manor, N. Y.	1933	Clara M. Tead	140	33
Brownsville Junior (C., S.)	Brownsville, Tex.	1926	Ben L. Brite	78	20
Burlington Junior (C.)	Furlington, Iowa	1920	Robert White, Jr.	190	14
Butler (C., S., N.)	Tyler, Tex.	1905	I. Jackson, Jr.	237	14
Caffey Junior (C., E., S.)	Ontario, Calif.	1916	Gardiner W. Spring	732	46
California School of Mechanic Arts	San Francisco, Calif.		R. H. Britton (director)	200	14
Cambridge Junior (C.)	Cambridge, Mass.	1934	Irving T. Richards	75	14
Campbell (C., S.)	Bules Creek, N. C.	1887	Leslie H. Campbell	406	33
Campbellsville (C., S.)	Campbellsville, Ky.	1906	W. F. Jones	125	11
Canal Zone Junior (C., E., S.)	Balboa, C. Z.	1933	Roger C. Hackett	95	15
Caney Junior (C., S.)	Pippapass, Ky.	1915	A. S. G. Lloyd	256	12
Carbon (C.)	Price, Utah	1938	Elden B. Sessions	800	30
Carl Schurz Evening Junior (C.)	Chicago, Ill.	1938	Robert C. Keenan (dean)		33
Cazenovia Junior (W., S.)	Cazenovia, N. Y.	1824	John D. Shove	60	14
Centenary Junior (W.)	Hackettstown, N. J.	1874	Mrs. Robert J. Trevorrow	149	19
Centerville (C.)	Centerville, Iowa	1930	E. W. Fannon	63	5
Central (W.)	Conway, Ark.	1892	O. J. Wade	110	13
Central Junior (C., S.)	McPherson, Kans.	1914	O. S. Walters	55	14
Central Wesleyan (C., S.)	El Centro, Calif.	1922	Eugene W. Waterman (dean)	119	30
Centralia Junior (C.)	Warrenton, Mo.		C. A. Greene		
Chaffey Junior (C., S.)	Centralia, Wash.	1925	Paul Furgeson	110	10
Chanute Junior (C., S.)	Ontario, Calif.	1916	Gardiner W. Spring	570	48
Chariton Junior (C.)	Chanute, Kans.	1936	W. W. Bass (dean)	130	22
Chevy Chase Junior (W.)	Chariton, Iowa		F. A. Lunan (dean)		
Chowan (N. C.) (closed for the duration).	Chevy Chase, Md.	1903	Carrie Sutherland	46	17
Christian (W.)					
Citrus Junior (C.)	Columbia, Mo.	1851	James C. Müller	320	33
Clarendon Junior (C.)	Azusa, Calif.	1915	W. V. Smith (dean)	150	30
Clarinda Junior (C.) (closed for the duration)	Clarendon, Tex.	1927	H. T. Burton	110	13
Clark Junior (C.)	Clarinda, Iowa	1923			
Clarke Memorial (C.)	Vancouver, Wash.		Lewis D. Cannell (dean)		
Clifton Junior (C., S.)	Newton, Miss.		J. L. Boyd	79	7
Coalinga Junior (C.)	Clifton, Tex.	1896	Carl Tyssen	62	7
Coffeyville Junior (C., S.)	Coalinga, Calif.	1932	T. A. Elstad (superintendent)	10	8
Cogswell Polytechnic (C.)	Coffeyville, Kans.	1923	Karl M. Wilson (dean)	365	17
Colby Junior (W., S.)	San Francisco, Calif.		Robert W. Dodd		
Colorado Woman's	New London, N. H.	1928	H. Leslie Sawyer	357	33
Commerce, Junior College of (C., E., S.)	Denver, Colo.	1888	James E. Huchingson	336	39
Compton Junior (C., S.)	New Haven, Conn.	1929	Samuel W. Tator	51	12
Conception Seminary (S.)	Compton, Calif.	1927	O. Scott Thompson	3,537	92
Concordia	Conception, Mo.	1940	Edward E. Malone	120	21
Do.	Fort Wayne, Ind.	1839	Ottomar Krueger	60	10
Do.	St. Paul, Minn.	1893	Martin Graebner	147	11
Concordia Collegiate (C.)	Milwaukee, Wis.		Leroy C. Rincker		
Connecticut, Junior College of (C., S.)	Bronxville, N. Y.	1881	Albert E. Meyer (acting)	85	12
Connors State Agricultural (C., E., S.)	Bridgeport, Conn.	1927	E. Everett Cortright	200	17
Copiah Lincoln Junior (C., S.)	Warner, Okla.	1927	Jacob Johnson	138	16
Corpus Christi Junior (C., S.)	Wesson, Miss.		W. H. Smith (acting)	350	23
Cottey (W.)	Corpus Christi, Tex.	1935	M. P. Baker	200	18
Coulter Memorial Academy (C., N.)	Nevada, Mo.	1884	Marjorie Mitchell	156	21
Creston Junior (C.)	Cheraw, S. C.	1881	G. W. Long		20
Crosby-Ironton Junior (C., E.)	Creston, Iowa		V. L. Sanders		
Cumberland (C.)	Crosby, Minn.	1937	J. P. von Gruening (dean)	54	6
Custer County Junior (C., S.)	Williamsburg, Ky.		James L. Creech		
David Lipscomb (C., S.)	Miles City, Mont.	1939	O. L. Alm (dean)	115	18
Dayton Y. M. C. A. (C., S.)	Nashville, Tenn.	1891	E. H. Ijams	359	40
	Dayton, Ohio	1887	Theo. J. Christensen (director)		61



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Decatur Baptist (C., S.)	Decatur, Tex.	1891	J. L. Ward	75	6
De LaSalle Normal School	Lafayette, La.		Brother A. Ernest		
Dixie Junior (C.)	St. George, Utah	1923	Glenn E. Snow	200	27
Dodge City Junior (C., S.)	Dodge City, Kans.	1935	W. H. Crawford (dean)	150	15
Duluth Junior (C., S.)	Duluth, Minn.	1927	R. D. Chadwick (dean)	226	27
Dunbar Junior (C., S., N.)	Little Rock, Ark.	1929	William H. Martin	127	13
Eagle Grove Junior (C.)	Eagle Grove, Iowa		C. L. McDowell		
East Central Junior (C., S.)	Decatur, Miss.	1928	L. O. Todd	300	22
East Mississippi Junior (C., S.)	Scobba, Miss.	1927	J. M. Tubb	200	17
Eastern Mennonite School (C.)	Harrisonburg, Va.	1917	J. L. Stauffer	78	18
Eastern New Mexico (Portales) (now 4-year college; see under Colleges and Universities)					
Eastern Oklahoma Agricultural and Mechanical (C.)	Wilburton, Okla.	1909	Claud C. Dunlap	375	16
Edgewood (W., E., S.)	Madison, Wis.	1927	Sister Rose Catherine	75	20
Edinburg Junior (C., S.)	Edinburg, Tex.	1927	H. A. Hodges	219	17
Edward Waters (C., N.)	Jacksonville, Fla.		C. S. Long, Jr.		
El Dorado Junior (C.)	El Dorado, Kans.	1927	Earl Walker (dean)	236	24
Elkader Public Junior (C.)	Elkader, Iowa	1929	Lorne M. Boylan	55	11
Ellsworth Junior (C.)	Iowa Falls, Iowa	1929	Orlando G. Kreider (dean)	120	
El Reno (C.)	El Reno, Okla.	1939	Paul R. Taylor	60	8
Ely Junior (C.)	Ely, Minn.	1922	Sigurd F. Olson (dean)	100	21
Emmetsburg Junior (C.)	Emmetsburg, Iowa	1930	R. W. Newell (superintendent)	29	7
Endicott Junior (W.)	Pride's Crossing, Mass.	1939	George O. Bierkoe	105	27
Englewood Evening Junior (C.)	Chicago, Ill.		Matthew Fitzgerald (dean)		
Erie Center (C., E., S.)	Erie, Pa.	1927	J. Lloyd Mahony	138	12
Erskine School, The (W.)	Boston, Mass.		Gertrude B. Clark (director)		
Estherville Junior (C.)	Estherville, Iowa	1924	N. E. Demoney	75	22
Evanston Collegiate Institute (C.)	Evanston, Ill.	1934	T. Ottmann Firing	175	21
Eveleth Junior (C.)	Eveleth, Minn.	1919	O. H. Gibson	90	12
Fairfax Hall Junior (W.)	Waynesboro, Va.	1920	William B. Gates	130	26
Ferry Hall (W.)	Lake Forest, Ill.	1869	Floise P. Tremain	24	25
Finch Junior (W., E., S.)	New York City	1900	Jessica G. Cosgrave	71	30
Flat River Junior College of (C., S.)	Flat River, Mo.	1922	Irvin F. Coyle (dean)	105	11
Flint Junior (C., S.)	Flint, Mich.	1923	W. S. Shattuck (dean)	323	19
Florida Normal and Industrial Institute (C., S., N.)	St. Augustine, Fla.	1892	William H. Gray, Jr.	200	26
Fordson Junior (C.)	Dearborn, Mich.	1938	Harvey H. Lowrey	137	17
Fort Dodge Junior (C.)	Fort Dodge, Iowa	1921	Ethel Shannon	60	5
Fort Lewis School (C., S.) (of Colorado State College of Agriculture and Mechanical Arts)	Hesperus, Colo.	1911	E. H. Bader (dean)	82	10
Fort Scott Junior (C.)	Fort Scott, Kans.		W. S. Davison (dean)		
Fort Smith Junior (C., S.)	Fort Smith, Ark.	1928	J. W. Ramsey	115	6
Frances Shimer (W.)	Mount Carroll, Ill.	1853	Albin C. Bro.	150	20
Freed Hardeman (C., S.)	Henderson, Tenn.	1908	N. B. Hardeman	20	15
Freeman Junior (C., E.)	Freeman, S. Dak.	1900	John D. Unruh	42	9
Friends Bible (C.)	Haviland, Kans.	1891	Charles S. Ball	81	7
Friendship Junior (C., N.)	Rock Hill, S. C.	1891	James H. Goudlock	185	10
Fullerton Junior (C., S.)	Fullerton, Calif.	1913	Frederick T. Chamberlen (superintendent)	881	50
Gainesville Junior (C., S.)	Gainesville, Tex.	1924	H. O. McCain	74	13
Garden City Junior (C.)	Garden City, Kans.	1919	R. C. Guy (dean)	60	7
Gardner-Webb Junior (C.) (formerly Boiling Springs Junior)	Boiling Springs, N. C.	1905	P. L. Elliott	150	13
Garland School of Homemaking (W.)	Boston, Mass.	1872	Gladys B. Jones	76	9
Gary (C., E., S.)	Gary, Ind.	1932	Albert Fertsch (administrative director)	50	14
Georgetown Visitation Junior (W.)	Washington, D. C.	1919	Sister Margaret Sheerin	85	15
Georgia Military (S.)	Milledgeville, Ga.	1879	Col. J. H. Jenkins	204	26
Georgia Southwestern (C., S.)	Americus, Ga.	1926	Peyton Jacob	165	11
Gila Junior (C., S.)	Thatcher, Ariz.	1891	Monroe H. Clark	80	15
Glendale Junior (C., S.)	Glendale, Calif.	1927	Willard S. Ford (superintendent)	1,002	49
Gogebie Junior (C.)	Ironwood, Mich.	1932	R. Ernest Dear (dean)		
Gordon Military (C., S.)	Barnesville, Ga.	1852	Col. J. E. Guillebeau	413	28
Graceland (C.)	Lamoni, Iowa	1895	George N. Briggs	381	24
Grand Rapids Junior (C.)	Grand Rapids, Mich.	1914	Arthur Andrews	750	30
Grand View (C.)	Des Moines, Iowa	1895	Johannes Knudsen	15	10
Grays Harbor Junior (C., S.)	Aberdeen, Wash.	1930	Lewis C. Tidball	75	8
Green Mountain Junior (W.)	Poultney, Vt.	1931	J. P. Bogue	300	23
Greenbrier (W.)	Lewisburg, W. Va.	1812	French W. Thompson	150	20
Gulf Park (W.)	Gulfport, Miss.	1921	Richard G. Cox	205	25
Gunston Hall School and Junior College (Washington, D. C.) (closed for the duration)					
Hannibal La Grange (C., S.)	Hannibal, Mo.	1858	A. E. Prince	100	16
Harcum Junior (W.)	Bryn Mawr, Pa.	1915	Edith Harcum	160	30
Hardin Junior (C., S.)	Wichita Falls, Tex.	1922	James B. Boren	400	28
Hebron Junior (Nebraska) (closed for the duration)					
Hershey Junior (C.)	Hershey, Pa.	1938	A. G. Breidenstine	100	18
Herz Junior (C., S.)	Chicago, Ill.	1934	Dorpha Brown (dean)	1,081	36
Hesston College and Bible School (C.)	Hesston, Kans.	1909	Milo Kauffman	60	9
Hibbing Junior (C.)	Hibbing, Minn.	1916	H. A. Drescher	85	29
Highland Junior (C.)	Highland, Kans.	1920	C. M. Rankin (dean)	100	8
Highland Park Junior (C., S.)	Highland Park, Mich.	1918	Geo. I. Altenburg (dean)	250	12
Hillman (Mississippi) merged with Mississippi College (see Colleges and Universities)					
Hillsboro Junior (C., S.)	Hillsboro, Tex.	1923	L. W. Hartsfield	145	15
Hillier Junior (C., S.)	Hartford, Conn.	1883	Alan S. Wilson (director)	160	10
Hinds Junior (C., S.)	Raymond, Miss.	1917	G. M. McLendon	100	25
Hixson (C., S.)	Madisonville, Tenn.	1849	D. R. Yovel	170	9
Hockaday Junior (W.)	Dallas, Tex.	1931	Ela Hockaday	150	26
Holmby (W.)	Los Angeles, Calif.	1904	Helen Briggs	92	11
Holmes Junior (C.)	Godman, Miss.		R. M. Branch		
Holtan-Arns School and Junior College (W.)	Washington, D. C.	1901	Jessie Moon Holton	370	20
Houston Junior (C., S.)	Houston, Tex.	1927	N. K. Dupre (dean)	3,000	83
Hutchinson Junior (C.)	Hutchinson, Kans.	1928	C. M. Lockman (dean)	125	12
Iberia Junior (C., S.)	Iberia, Mo.	1860	G. Byron Smith	51	4
Immaculata Junior (W.)	Washington, D. C.	1922	Sister St. Philomene	50	14
Immanuel Lutheran (C., N.)	Greenboro, N. C.	1903	Henry Nan	90	8
Independence Junior (C.)	Independence, Iowa	1928	F. E. Mueller	40	8
Do	Independence, Kans.	1925	E. R. Stevens (dean)	135	18
Iola Junior (C.)	Iola, Kans.	1923	R. H. Carpenter (dean)	11	
Itasca Junior (C.)	Coleraine, Minn.	1922	Joseph B. Davis (dean)	134	20
Jackson Junior (C., S.)	Jackson, Mich.	1928	George L. Greenwalt	92	17
Jacksonville (C., S.)	Jacksonville, Tex.		C. B. Meadows		
Jacksonson (C., S.)	St. Louis, Mo.	1895	Paul E. Williams	1,338	28
Jackson City Junior (C., S.)	Jackson City, Mo.	1926	Walter L. Cooper (dean)	120	10
John Tarleton Agricultural (C., S.)	Stephenville, Tex.	1899	J. Thomas Davis (dean)	1,425	85
John McNeese Junior (C., E., S.)	Lake Charles, La.	1939	Rodney Cline (dean)	173	21
Johnstown Center (C., S.)	Johnstown, Pa.	1927	Viers W. Adams	409	20
Joliet Junior (C.)	Joliet, Ill.	1901	J. D. Yaggy (dean)	204	35
Jones County Junior (C., S.)	Ellisville, Miss.	1927	J. B. Young	60	36



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Joplin Junior (C., S.)	Joplin, Mo.	1938	H. E. Blaine (dean)	300	21
Junior Agricultural (C., S.)	Beebe, Ark.	1932	B. E. Witmore	96	8
Junior College of Physical Therapy (C.)	New Haven, Conn.	1919	Harry E. Stewart	62	22
Junior College of Southeastern Colorado (C.)	Lamar, Colo.	1937	James H. Buchanan (director)		6
Junior and Teachers (C., S.)	Kansas City, Mo.	1915	A. M. Swanson (dean)	1,094	53
Kansas City Junior (C., S.)	Kansas City, Kans.	1923	J. F. Wellemeyer	450	14
Kemper Military School (N.)	Boonville, Mo.	1844	A. M. Hitch	525	45
Kilgore (C., S.)	Kilgore, Tex.	1935	B. E. Masters	584	35
Kiowa County (C., S.)	Hobart, Okla.	1934	Tom Hanson		12
Kokomo Junior (C.)	Kokomo, Ind.	1931	Hurd A. Drake	53	1
Lamar (C., S.)	Beaumont, Tex.	1922	John E. Gray	500	21
Larson Junior (W., E., S.)	New Haven, Conn.	1911	George V. Larson	215	18
LaSalle Peru-Oglesby Junior (C.)	La Salle, Ill.	1924	Frank A. Jensen (director)	190	25
Lasell Junior (W.)	Auburndale, Mass.	1851	Guy M. Winslow	510	61
La Sierra (C., E., S.)	Arlington, Calif.	1927	L. R. Rasmussen	354	42
Lassen Junior (C.)	Susanville, Calif.	1925	G. A. Collyer	107	20
Lee Junior (C., S.)	Goose Creek, Tex.	1934	N. S. Holland	289	13
Lees-McRae (C.)	Banner Elk, N. C.	1900	W. C. Tate	200	17
Lenox (C., S.)	Hopkinton, Iowa	1856	Henry O. Anderson	75	6
Lincoln (C., E.)	Lincoln, Ill.	1865	William D. Copeland	65	12
Lincoln Junior (C., N.)	Kansas City, Mo.	1936	H. O. Cook (principal)	104	16
Lindsev Wilson Junior (C., S.)	Columbia, Ky.	1903	Victor P. Henry	103	11
Little Rock Junior (C., S.)	Little Rock, Ark.	1927	J. A. Larson	300	20
Lon Morris (C., S.)	Jacksonville, Tex.	1873	C. E. Peeples	148	14
Long Beach Junior (C., S.)	Long Beach, Calif.	1927	George E. Dotson (principal)	1,114	19
Loretta Junior (W.)	Nerinx, P. O., Loretta, Ky.		Mother M. Maier		
Los Angeles City (C., S.)	Los Angeles, Calif.	1929	Rosco C. Ingalls (director)	4,000	175
Louisburg (C.)	Louisburg, N. C.	1787	Walter Patten	255	14
Louisiana Normal and Industrial Institute (C., S., N.)	Grambling, La.		T. W. E. Jones		
Lower Columbia Junior (C., S.)	Longview, Wash.	1934	T. D. Schindler	120	16
Luther (C., E., S.)	Wahoo, Nebr.	1883	Rev. Floyd E. Lauersen	94	15
Lutheran (C., S.)	Clifton, Tex.	1896	C. Tyssen	82	7
Lyons Township Junior (C., S.)	La Grange, Ill.	1929	George S. Olsen	150	15
Mallinckrodt (W., S.)	Wilmette, Ill.	1918	Mother Ignata	17	6
MaQuoketa Junior (C.)	Maquoketa, Iowa		E. L. Miller (dean)		
Marinapolis	Thompson, Conn.	1926	Rev. Dr. Joseph Vaskas	8	10
Marin Junior (C., E., S.)	Kentfield, Calif.	1926	Ward H. Austin	376	30
Marion (W.)	Marion, Va.	1873	Henry E. Horn	85	17
Marion Institute	Marion, Ala.		Col. W. L. Murfee		
Mars Hill (C., S.)	Mars Hill, N. C.	1856	Hoyt Blackwell	882	40
Marshall College of (C., S.)	Marshall, Tex.	1917	H. D. Bruce	153	14
Marshalltown Junior (C.)	Marshalltown, Iowa		B. R. Miller		
Mary Allen Junior (W., E.)	Crockett, Tex.	1886	T. R. Jones	135	12
Mary Brooks School (W.)	Boston, Mass.	1925	Jane Brooks		8
Marymount (W.)	Los Angeles, Calif.	1936	Mother Gertrude	25	10
Mason City Junior (C.)	Mason City, Iowa	1918	James Rae (director)	154	12
McCook Junior (C., S.)	McCook, Nebr.	1926	F. L. Holmes	15	11
McNeese Junior (C., S.)	Lake Charles, La.	1939	Rodney Cline (dean)	250	20
Menlo School and Junior College (S.)	Menlo Park, Calif.	1927	Lowry S. Howard	175	18
Meridian Municipal Junior (C., S.)	Meridian, Miss.	1937	J. B. Pearson (director)	123	35
Mesa County Junior (C., S.)	Grand Junction, Colo.	1937	Horace J. Wubben	150	20
Middle Georgia (C., S.)	Cochran, Ga.	1928	Leo H. Browning	250	22
Mitchell (C., S.)	Statesville, N. C.	1853	Robert S. Arrowood	153	14
Moberly Junior (C.)	Moberly, Mo.	1927	M. F. Beach (superintendent)	65	19
Modesto Junior (C., S.)	Modesto, Calif.	1921	Charles D. Yates (acting)	639	42
Monett Junior (C.)	Monett, Mo.	1926	E. E. Camp (dean)	30	10
Monmouth Junior (C.)	Long Branch, N. J.	1933	Ed. G. Schlaefler (dean)	241	17
Monte Cassino Junior (W.)	Tulsa, Okla.		Sister M. Ursula		
Monticello (W.)	Alton, Ill.	1835	G. I. Rohrbrough	310	50
Montreat (W.)	Montreat, N. C.	1916	R. C. Anderson	187	24
Morgan Park Junior (C., S.)	Chicago, Ill.		Albert G. Dodd (dean)	286	15
Morris Junior (C., E., S.)	Morristown, N. J.	1933	Arthur S. Platt	200	14
Morristown Normal and Industrial (C., N.)	Morristown, Tenn.	1883	J. W. Haywood	200	12
Morton Junior (C.)	Cicero, Ill.	1924	William P. MacLean	308	37
Mount Angel Normal School (W., S.)	Mount Angel, Oreg.	1892	Mother M. Ursula	50	8
Mount Marty Junior (W., S.)	Yankton, S. Dak.	1936	Rev. Mother M. Jerome	144	13
Mount Mercy Junior College and Academy (W., S.)	Cedar Rapids, Iowa	1928	Sister Mary Manse	60	14
Mount St. Agnes Junior (W.)	Baltimore, Md.	1867	Sister M. Placide	105	10
Mount St. Clare (W., S.)	Clinton, Iowa	1918	Mother Mary McKeever	19	11
Mount St. Joseph Junior (C., S.)	Maple Mount, Ky.	1925	Sister M. Eckmans (dean)	100	15
Mount Vernon Seminary and Junior College (W.)	Washington, D. C.	1875	George W. Lloyd	152	16
Multnomah (C., S.)	Portland, Oreg.	1931	Edward L. Clark	642	53
Murray State School of Agriculture (C., E., S.)	Tishomingo, Okla.	1908	A. D. Patton (acting)	341	22
Muscatine Junior (C., E., S.)	Muscatine, Iowa	1929	Willette Strahan	80	10
Muskegon Junior (C.)	Muskegon, Mich.	1926	A. G. Umbreit	248	13
Muskogee Junior (C., S.)	Muskogee, Okla.	1920	Bessie M. Huff (dean)	100	8
National Park (Md.) (closed for the duration)					
Nazareth Junior (C., S.)	Nazareth, Ky.		Sister Gertrude		
New Haven Y. M. C. A. Junior (C.)	New Haven, Conn.	1919	Lawrence L. Bethel (director)	300	35
New Mexico Military Institute	Roswell, N. Mex.	1898	Col. D. C. Pearson (superintendent)	681	35
New York State Agricultural and Technical Institute (C.)	Alfred, N. Y.	1909	Paul B. Orvis	316	23
Do	Delhi, N. Y.	1916	Harold L. Smith (director)	108	14
Do	Morrisville, N. Y.	1908	M. B. Galbreath (director)	151	17
New York State Institute of Agriculture and Home Economics (C.)	Cobleskill, N. Y.	1913	E. D. Day (director)	100	13
New York State Maritime Academy	Fort Schuyler, Bronx, N. Y.	1874	Vice Admiral Thomas T. Craven	445	28
			U. S. Navy		
Newark Junior (C., E., S.)	Newark, N. J.	1938	David Bucharest	135	15
Nicholas Junior	Dudley, Mass.	1931	James L. Conrad	90	12
Norman Junior (C.)	Norman Park, Ga.	1900	Paul F. Carroll	340	14
North Dakota School of Forestry (C.)	Bottineau, N. Dak.	1907	C. N. Nelson	108	11
North Dakota State School of Science (C.)	Wahpeton, N. Dak.	1903	E. F. Riley	327	
North Georgia (C., S.)	Dahlonega, Ga.	1872	Jonathan C. Rogers	670	41
North Greenville Baptist Academy and Junior College (C.)	Tigerville, S. C.	1892	Murphree C. Donnan	125	18
North Park College and Theological Seminary (C., S.)	Coeur d'Alene, Idaho	1919	Orrin E. Lee (president)	45	9
North Texas Junior Agricultural (C., S.)	Chicago, Ill.	1891	Algoth Ohlson	714	70
Northeast Junior (C., S., N.)	Arlington, Tex.	1917	E. E. Davis	1,354	60
Northeastern Oklahoma Agricultural and Mechanical (C., E., S.)	Monroe, La.	1931	C. O. Colvert (dean)	631	36
Northern Montana (C., E., S.)	Miami, Okla.	1919	Bruce G. Carter	120	15
Northern Oklahoma Junior (C.)	Havre, Mont.	1929	G. H. Vande Bogart	256	20
Northwest Mississippi Junior (O., S.)	Tonkawa, Okla.	1901	Loren N. Brown	185	25
Northwestern Junior (C.)	Senatobia, Miss.	1915	R. C. Pugh	200	18
Notre Dame College of (C.)	Orange City, Iowa	1928	Jacob Heemstra	114	12
Notre Dame Junior (W., E., S.)	Belmont, Calif.		Sister Bernadine		8
Notre Dame Junior (C., S.)	St. Louis, Mo.	1925	Sister M. Chrysologia (dean)	86	
Oak Ridge Military Institute	Mitchell, S. Dak.	1922	Messr. J. M. Brady	107	21
Oceanside-Carlsbad Junior (C., E., S.)	Oak Ridge, N. C.	1852	E. P. Holt	45	15
Ogontz Junior (W.)	Oceanside, Calif.	1934	Donald C. Carr (dean)	92	24
	Ogontz School, Pa.	1850	Abby A. Sutherland	150	43



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Oklahoma City Junior (C.)	Oklahoma City, Okla.		H. E. Wrinkle		
Oklahoma Military Academy (S.)	Claremore, Okla.	1919	Capt. John C. Hamilton	300	20
Oklahoma Western Junior (C.)	Sayre, Okla.		Oscar McMahon		
Okmulgee Junior (C.)	Okmulgee, Okla.	1926	W. Max Chambers	82	8
Okolona Industrial School (C., S., N.)	Okolona, Miss.	1902	W. Milan Davis (principal)	137	17
Osceola Junior (C.)	Osceola, Iowa	1929	J. K. Haeblen (dean)	29	9
Our Lady of Victory College and Academy (W., S.)	Fort Worth, Tex.	1930	Sister M. Albertine	100	21
Ottumwa Heights (W., S.)	Ottumwa, Iowa	1925	Mother M. Geraldine	95	14
Pacific Lutheran (C., E., S.)	Parkland, Wash.	1894	S. C. Eastvold	265	41
Packer Collegiate Institute (W.)	Brooklyn, N. Y.	1845	Paul D. Shafer	68	21
Paducah Junior (C.)	Paducah, Ky.	1932	Henry W. Tatter	100	6
Palm Beach Junior (C.)	West Palm Beach, Fla.	1933	John I. Leonard	100	18
Paola, College of (W., S.)	Paola, Kans.	1924	Mother Thomas Reichert	50	15
Paris Junior (C., S.)	Paris, Tex.	1924	J. R. McLemore	408	21
Parsons Junior (C.)	Parsons, Kans.	1923	E. F. Farner (dean)	159	25
Pasadena Junior (C., E., S.)	Pasadena, Calif.	1924	John W. Harbeson	2,167	225
Paterson, College of (C., E., S.)	Paterson, N. J.	1934	Herbert S. Robinson	250	21
Peace (W.)	Raleigh, N. C.	1857	Wm. C. Pressly	276	21
Pearl River Junior (C., S.)	Poplarville, Miss.	1922	R. D. McLendon	251	17
Penn Hall Junior (W.)	Chambersburg, Pa.	1906	Frank S. Mazell	144	30
Perkinston Junior (C., S.)	Perkinston, Miss.	1925	A. L. May	200	24
Pfeiffer Junior (C., S.)	Misenheimer, N. C.	1928	W. S. Sharp	180	17
Phoenix Junior (C., E., S.)	Phoenix, Ariz.	1920	E. W. Montgomery	557	25
Pikeville (C., S.)	Pikeville, Ky.	1889	A. A. Page	187	25
Pine Manor Junior (W.)	Wellesley, Mass.	1911	Marie Warren Potter	215	61
Placer Junior (C.)	Auburn, Calif.	1936	Harold E. Chastain (dean)	200	21
Pomona Junior (C.)	Pomona, Calif.	1916	Johnston E. Walker (director)	100	42
Port Huron Junior (C.)	Port Huron, Mich.	1923	T. C. Simpson	87	7
Porterville Junior (C.)	Porterville, Calif.	1927	B. E. Jamison (dean)	179	9
Potomac State School (C., S.)	Keyser, W. Va.	1902	E. E. Church	185	19
Pratt Junior (C.)	Pratt, Kans.	1938	H. B. Unruh (dean)	174	24
Presbyterian Junior (E., S.)	Maxton, N. C.	1929	Louis C. LaMotte	118	14
Pueblo Junior (C., E., S.)	Pueblo, Colo.	1937	William A. Black	250	25
Rabun Gap-Nacoochee School (C.)	Rabun Gap, Ga.	1934	George C. Bellingrath	71	7
Ranger Junior (C., S.)	Ranger, Tex.	1924	G. C. Boswell	162	15
Red Oak Junior (C.) (discontinued for duration)	Red Oak, Iowa				
Reedley Junior (C.)	Reedley, Calif.	1923	J. O. McLaughlin	190	20
Reinhardt (C., S.)	Waleska, Ga.	1883	W. M. Bratton	84	8
Ricker Junior (C.)	Houlton, Maine	1926	Roy Mitchell Hayes	75	12
Ricks (C., E., S.)	Rexburg, Idaho	1888	Hyrum Manwaring	228	16
Rio Grande (C., S.)	Rio Grande, Ohio	1876	R. Lloyd Pobst	65	10
Riverside Junior (C., S.)	Riverside, Calif.	1916	A. G. Paul (director)	415	30
Rochester Junior (C., S.)	Rochester, Minn.	1915	R. W. Goddard (dean)	109	18
Sacramento Junior (C., S.)	Sacramento, Calif.	1916	Nicholas Ricciardi	1,897	84
Sacred Heart Junior (W., E., S.)	Wichita, Kans.	1933	Very Rev. Leon McNeill	44	15
Sacred Heart Junior College and Academy (W.)	Belmont, N. C.		Sister M. Raphael		
St. Bernard (S.)	Cullman, Ala.	1892	Rt. Rev. Boniface Seng	67	18
St. Catharine Junior (W., E., S.)	St. Catharine, Ky.	1931	Mother Margaret	61	13
St. Charles	Catonsville, Md.	1830	Very Rev. George A. Gleason	190	11
St. Genevieve-of-the-Pines Junior (W.)	Asheville, N. C.	1930	Rev. Mother L. Jannin	18	12
St. Helen's Hall Junior (W.)	Portland, Oreg.		Sister Superior		
St. John's (C.)	Winfield, Kans.	1893	Carl S. Mundinger	105	16
St. Joseph's College and Military Academy	Hays, Kans.	1908	Rev. Terence Moffatt	287	20
St. Joseph Junior (C., S.)	St. Joseph, Mo.	1915	Nelle Blum (dean)	391	21
St. Lawrence	Mount Calvary, Wis.	1860	Rev. Gerald Walker	170	12
St. Mary, College of (W., E., S.)	Omaha, Nebr.	1923	Sister M. Rosaria	125	18
St. Mary's	St. Mary, Ky.	1821	Rev. Albert Ruetz	120	10
St. Mary's Female Seminary-Junior College	St. Mary's City, Md.	1844	M. Adele France	82	12
St. Mary's Junior (W., S.)	O'Fallon, Mo.	1929	Sister M. Cecelis (dean)		10
St. Mary's School (W.)	Raleigh, N. C.	1842	Mrs. Ernest Cruikshank	231	40
St. Petersburg Junior (C., E., S.)	St. Petersburg, Fla.	1927	Robert B. Reed	111	18
St. Paul's	Concordia, Mo.	1883	Albert J. C. Mocier	25	8
St. Phillip's Junior College and Vocational Institute (C., N.)	San Antonio, Tex.	1927	Rt. Rev. W. T. Capers		12
St. Thomas Seminary	Bloomfield, Conn.		Joseph M. Griffin		
Salinas Junior (C.)	Salinas, Calif.	1920	J. B. Lemos	650	23
Salvatorian Seminary	St. Nazianz, Wis.		Solanus Freischmidt (rector)		
San Angelo Junior (C., S.)	San Angelo, Tex.	1928	Wilson H. Elkins	258	17
San Antonio Junior (C., S.)	San Antonio, Tex.	1925	J. O. Loftin	137	11
San Benito County Junior (C.)	Hollister, Calif.	1919	James P. Davis	15	21
San Francisco Junior (C., E., S.)	San Francisco, Calif.	1935	A. J. Cloud	1,289	100
San Luis Obispo Junior (C.)	San Luis Obispo, Calif.	1936	Henry A. Cross	185	35
San Mateo Junior (C., S.)	San Mateo, Calif.	1922	Charles S. Morris	990	57
Santa Ana Junior (C., S.)	Santa Ana, Calif.	1915	John H. McCoy (director)	300	20
Santa Maria Junior (C., S.)	Santa Maria, Calif.	1920	M. D. Likes (dean)	573	41
Santa Monica Junior (C., S.)	Santa Monica, Calif.	1929	Elmer C. Sandmeyer	489	25
Santa Rosa Junior (C.)	Santa Rosa, Calif.	1918	Floyd P. Bailey	200	25
Schreiner Institute (S.)	Kerrville, Tex.	1923	J. J. Delaney	380	25
Schurz Evening Junior (C.)	Chicago, Ill.	1938	Robert C. Keenan (dean)	607	24
Scott-Lees Collegiate Institute (C., S.)	Jackson, Ky.	1883	J. O. Van Meter	236	17
Scottsbluff Junior (C.)	Scottsbluff, Nebr.	1932	Wayne W. Johnson	100	14
Seranton-Keystone Junior (C.)	La Plume, Pa.	1869	Byron S. Hollinshead	195	18
Seneca Junior (C.)	Seneca, S. C.		J. D. Bryan		
Sheldon Junior (C.)	Sheldon, Iowa		Stevens N. Watkins		
Shenandoah (C., S.)	Dayton, Va.	1875	L. P. Hill (acting)	151	23
Sioux Falls (C., E., S.)	Sioux Falls, S. Dak.	1883	John L. Barton	132	16
Snead Junior (C., S.)	Boaz, Ala.	1935	F. M. Cook	116	15
Southeastern Colorado, Junior College of (C.)	Lamar, Colo.	1937	Neal Burch (dean)	40	5
Southern Branch of the University of Idaho (C., S.)	Pocatello, Idaho	1927	E. J. Baldwin (acting executive dean)	839	57
Southern Christian Institute (C., E., S., N.)	Edwards, Miss.	1875	John Long	315	15
Southern Junior (C., S.)	Collegeville, Tenn.	1916	K. A. Wright	123	16
Southern Seminary and Junior College (W.)	Buena Vista, Va.	1868	Margaret D. Robey (director)	225	35
Southern Union (C.)	Wadley, Ala.	1934	Ross Ensminger	45	9
South Georgia (C., S.)	College (subsidiary of Dominus), Ga.	1907	President J. M. Thrash	202	12
Southwest Baptist (C., S.)	Bohvar, Mo.	1878	S. H. Jones	364	16
Southwestern Junior (C., S.)	Keene, Tex.	1894	H. H. Hamilton	287	10
Spartanburg Junior (C.)	Spartanburg, S. C.	1911	T. B. Burgess	375	10
Spokane Junior (Washington) (merged with Whitworth College; see Colleges and universities)					
Spring Arbor Seminary and Junior College (C.)	Spring Arbor, Mich.	1873	LeRoy M. Lowell	70	
Springfield Junior (C., S.)	Springfield, Ill.	1929	Mother M. Barbara	164	20
State Agricultural and Mechanical (C., S.)	Magnolia, Ark.	1910	Charles A. Overstreet	270	22
State Institute of Agriculture (C., S.)	Farmingdale, Long Island, N. Y.	1912	U. B. Knapp, direct.	350	31
Stephens (W.)	Columbia, Mo.	1855	James M. Wood	1,546	167
Stillman Institute (C., E., N.)	Thensloosa, Ala.	1876	A. L. Jackson	260	29
Stockton Junior (C., S.)	Stockton, Calif.	1935	Arthur T. Bawden	487	74
Stoneleigh (W.)	Rye Beach, N. H.	1934	Richard D. Currier	132	20
Stratford (W.)	Danville, Va.		John C. Simpson		
Sue Bennett (C.)	London, Ky.	1896	Jeannetta Harrison (acting)	95	12



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Fullins (W.)	Bristol, Va.	1917	W. E. Martin	350	30
Sundowner Junior (C., S.)	Moorhead, Miss.	1926	Paul M. West	120	25
Swift Memorial Junior (C.)	Rogersville, Tenn.	1883	R. E. Lee		10
Tabor (C., S.)	Hillsboro, Kans.	1908	P. E. Schellenberg	200	16
Taft Union (C.)	Taft, Calif.	1922	John G. Howes (dean)	100	48
Temple Junior (C., S.)	Temple, Tex.	1926	George H. Gentry	209	18
Tennessee Junior College, University of (C., E., S.)	Martin, Tenn.	1927	Paul Meek (executive officer)	207	19
Tennessee Wesleyan (C., S.)	Athens, Tenn.	1866	James L. Robb	189	15
Texarkana (C., S.)	Texarkana, Tex.	1927	H. W. Stilwell	150	12
Texas Military (S.)	Terrell, Tex.		Mrs. Louis C. Perry		
Thornton Junior (C.)	Harvey, Ill.	1927	William E. McVey	159	19
Tipton Junior (C.)	Tipton, Iowa	1927	H. C. DeKock (superintendent)	67	9
Tracy Junior (C.)	Tracy, Minn.		R. R. Sorensen		
Trenton Junior (C.)	Trenton, Mo.	1925	S. M. Rissler (superintendent)	70	6
Trevecca Nazarene (C., S.)	Nashville, Tenn.	1901	A. B. Mackey	98	9
Trinidad State Junior (C., S.)	Trinidad, Colo.	1925	P. P. Mickelson	80	16
Texas Lutheran (C., S.)	Seguin, Tex.	1891	William F. Kraushaar	123	12
Tyler Junior (C., S.)	Tyler, Tex.	1926	J. M. Hodges	244	12
Union Junior (C., E., S.)	Cranford, N. J.	1933	Charles G. Cole	250	15
Urbana University (C., S.)	Urbana, Ohio	1850	Rev. Russell Eaton	18	7
Valley Forge Military Academy	Wayne, Pa.	1935	Col. Milton G. Baker	200	30
Ventura Junior (C., S.)	Ventura, Calif.	1929	D. R. Henry (principal)	120	37
Vermont Junior (C.)	Montpelier, Vt.	1834	John H. Kingsley	150	22
Victoria Junior (C., S.)	Victoria, Tex.	1925	J. H. Bankston	75	14
Vincennes University (C., S.)	Vincennes, Ind.		Walter A. Davis		
Virginia Intermont (W.)	Bristol, Va.	1884	H. G. Noffsinger	311	13
Virginia Junior (C.)	Virginia, Minn.	1921	F. F. Cope (acting dean)	282	28
Visalia Junior (C.)	Visalia, Calif.	1926	L. J. Williams (principal)	508	35
Voorhes Normal and Industrial School (C., N.)	Denmark, S. C.	1897	J. E. Blanton	135	18
Waldorf (C.)	Forest City, Iowa	1903	Rev. Morton O. Nilssen	175	15
Ward-Belmont School (W.)	Nashville, Tenn.	1913	J. E. Burk	450	40
Washington Junior (Washington) (Discontinued for the year.)					
Waukon Junior (C.)	Waukon, Iowa	1923	B. H. Graeber	30	10
Wayland Baptist (C., S.)	Plainview, Tex.	1909	G. W. McDonald	300	13
Weatherford (C., S.)	Weatherford, Tex.	1873	Clarence S. Sutton	111	13
Weber (C., S.)	Ogden, Utah	1889	H. A. Dixon	512	39
Webster City Junior (C.)	Webster City, Iowa		Burrus E. Beard (dean)		
Wentworth Military Academy (S.)	Lexington, Mo.	1880	Col. J. M. Sellers	204	14
Wesleyan Methodist (C.)	Central, S. C.	1906	John Frank Childs	75	9
Wessington Springs (C., S.)	Wessington Springs, S. Dak.	1887	A. C. Wolcott	394	14
West Georgia (C., S.)	Genola, Ga.	1934	I. S. Ingram	327	48
Westbrook Seminary and Junior College (W., S.)	Portland, Maine	1831	Milton D. Proctor	327	32
Westminster (C., S.)	Tehuacana, Tex.	1895	Sprigg Harwood	100	9
Westminster (C.)	Salt Lake City, Utah	1875	Robert D. Steele	120	22
Wetumka Junior (C.)	Wetumka, Okla.		L. F. Battles		
Weylister Secretarial Junior (W.)	Milford, Conn.	1927	Marian W. S. Beach	65	12
Whitworth (W., S.)	Brookhaven, Miss.	1858	Sinclair Daniel	100	16
William Woods (W.)	Fulton, Mo.	1890	Harlie L. Smith	288	33
Williams (C., E., S.)	Berkeley, Calif.	1918	John W. Hopkins	50	48
Williamsport-Dickinson Junior (C., S.)	Williamsport, Pa.	1912	John W. Long	250	27
Wingate Junior (C., S.)	Wingate, N. C.	1897	C. C. Burris	140	14
Wood Junior (C., S.)	Mathiston, Miss.	1927	Edward W. Seay	197	22
Woodrow Wilson Junior (C., S.)	Chicago, Ill.	1934	J. I. Swearingen (acting) (dean)	1,875	62
Woodward Junior (C.)	Woodward, Okla.	1932	Irene Walker (dean)	59	11
Worcester Junior (C., S.)	Worcester, Mass.	1938	Irving R. Hobby	587	33
Worthington Junior (C.)	Worthington, Minn.	1936	Marvin C. Knudson (dean)	150	11
Wright Junior (C., S.)	Chicago, Ill.	1934	William H. Conley (dean)	2,019	77
Yakima Valley Junior (C., S.)	Yakima, Wash.	1928	Elizabeth Prior	135	15
Young L. G. Harris (C., S.)	Young Harris, Ga.	1886	J. Worth Sharp	187	12
Yuba Junior (C., S.)	Marysville, Calif.	1927	Pedro Osuna	305	84

#### AMERICAN TEACHERS COLLEGES AND NORMAL SCHOOLS

Source: This list is based on the 1943 Educational Directory of the United States Office

of Education. The data are from questionnaires returned by the institutions in the year 1943. The abbreviations following the names of the colleges indicate: C., coeduca-

tional; E., has extension courses; N., for Negroes only; S., summer school; W., women only.

Name	Location	Year organized	Governing official	Number of students	Number of teachers
Adams State (C., S.)	Alamosa, Colo.	1921	Ira Richardson	261	24
Agricultural and Industrial State (C., E., S., N.)	Nashville, Tenn.	1912	W. J. Hale	1,072	52
Alabama State (C., E., S.)	Florence, Ala.	1872	J. A. Keller	600	40
Alabama State (C., S.)	Jacksonville, Ala.				
Alabama State (C., E., S.)	Livingston, Ala.	1883	N. F. Greenhill	200	24
Alabama State (C., E., S., N.)	Montgomery, Ala.	1874	H. Council Trenholm	1,054	90
Alabama State (C., E., S.)	Troy, Ala.	1887	C. B. Smith	225	32
Alverno (W., E., S.)	Milwaukee, Wis.	1936	Mother M. Corona	103	10
American College of Physical Education (C.)	Chicago, Ill.		Charles O. Carlstrom		
Appalachian State (C., S.)	Boone, N. C.	1903	B. B. Dougherty	660	45
Arizona State (C., E., S.)	Flagstaff, Ariz.	1899	T. J. Torney	250	40
Do	Tenope, Ariz.	1885	Grady Gammage	1,216	58
Arkansas State (C., E., S.)	Conway, Ark.	1908	Nolen M. Irby	529	40
Arnold College for Hygiene and Physical Education (C., S.)	New Haven, Conn.		H. Bruno Arnold		
Aroostook State Normal School (C.)	Presque Isle, Maine		(Suspended for duration)		
Asheville (C., S.)	Asheville, N. C.	1940	Frank C. Foster	251	22
Austin Peay Normal School (C., S.)	Clarksville, Tenn.		P. P. Claxton		
Ball State (C., E., S.)	Muncie, Ind.	1918	W. E. Waggoner (acting)	1,346	101
Beaver Country Day School (part C.)	Chestnut Hill, Mass.	1921	Crosby Hodgman	300	50
Black Hills (C., S.)	Spearfish, S. Dak.	1887	Russell E. Jonas	50	30
Bluefield State (C., E., S., N.)	Bluefield, W. Va.	1929	H. L. Dickason	39	22
Bouve-Boston School of Physical Education (W.)	Boston, Mass.	1914	Marjorie Bouve (director)	160	35
Bowling Green College of Commerce (C., E., S.)	Bowling Green, Ky.	1922	J. L. Harman	325	15
Catholic Teachers (W.)	Providence, R. I.		Francis P. Keough		
Central Michigan College of Education (C., E., S.)	Mount Pleasant, Mich.	1892	Charles L. Anspach	936	108
Central Missouri State (C., E., S.)	Warrensburg, Mo.	1871	George W. Dieter	787	62
Central Normal (C., S.)	Danville, Ind.	1878	Virgil Hunt	400	25
Central State (C., E., S.)	Edmond, Okla.	1891	R. R. Robinson	1,092	63
Do	Stevens Point, Wis.	1894	William C. Hansen	350	46
Central Washington College of Education (C., E., S.)	Ellensburg, Wash.	1891	Robert E. McConnell	560	50
Cheyney Training School (C., N.)	Cheyney, Pa.	1837	Leslie P. Hill	158	15
Chicago (C., E., S.)	Chicago, Ill.	1869	John A. Bartky	1,348	80



Name	Location	Year organized	Governing official	Number of students	Number of teachers
Child Education Foundation (W.)	New York, N. Y.	1916	Paxton Blair	32	21
Colorado State College of Education (C., S.)	Greeley, Colo.		George W. Frasier		
Concord State (C., E., S.)	Athens, W. Va.	1875	J. Frank Marsh	550	35
Concordia Teachers (C., E., S.)	River Forest, Ill.	1857	Arthur W. Klinek	182	17
Concordia Teachers (C., S.)	Seward, Nebr.	1894	Rev. A. O. Fuerbringer	138	16
Cooperative School for Teachers (C.)	New York, N. Y.		Lucey S. Mitchell		
Coppin (C., N.)	Baltimore, Md.	1900	David E. Weglein (superintendent)	133	22
Danbury State (C., E., S.)	Danbury, Conn.	1903	Ralph C. Jenkins	220	41
Delta State Teachers (C., S.)	Cleveland, Miss.		William M. Kethley		
Duluth State (C., E., S.)	Duluth, Minn.	1895	Herbert Sorenson	350	59
East Carolina (C., S.)	Greenville, N. C.	1909	Leon R. Meadows	1,014	95
East Carolina State (C., E., S.)	Ada, Okla.	1909	A. Linscheid	750	55
East Tennessee State (C., S.)	Johnson City, Tenn.	1911	C. C. Sherrod	509	50
East Texas State (C., E., S.)	Commerce, Tex.	1889	S. H. Whitley	1,129	101
Eastern Illinois State (C., E., S.)	Charleston, Ill.	1899	Robert G. Buzzard	630	73
Eastern Kentucky State (C., E., S.)	Richmond, Ky.	1906	W. F. O'Donnell	1,506	81
Eastern Montana State Normal School (C., S.)	Billings, Mont.	1927	L. B. McMullen	338	16
Eastern Oregon College of Education (C., E., S.)	La Grande, Oreg.	1929	Robert J. Maaske	186	24
Eastern State Normal School (C., S.)	Madison, S. Dak.	1881	V. A. Lowry	188	31
Eastern Washington College of Education (C., E., S.)	Cheney, Wash.	1890	Ralph E. Tieje	427	45
Elizabeth City State (C., E., S., N.)	Elizabeth City, N. C.	1891	Harold L. Trigg	468	26
Fairmont State (C., S.)	Fairmont, W. Va.	1865	John W. Pence (acting)	507	45
Fannie A. Smith Teacher Training School (W.)	Bridgeport, Conn.	1885	Fannie A. Smith		1-1
Farmington State Normal School (C., S.)	Farmington, Maine	1864	Lorey C. Day (principal)	235	21
Fayetteville State (C., E., S., N.)	Fayetteville, N. C.	1877	J. W. Seabrook	600	32
Fort Valley State (C., S., N.)	Fort Valley, Ga.	1895	H. M. Bond	325	31
George Peabody (C., E., S.)	Nashville, Tenn.	1875	S. C. Garrison	1,115	94
Georgia Teachers (C., E., S.)	Collegeboro (suburb of Statesboro), Ga.	1924	Murvin S. Pittman	150	40
Glenville State (C., E., S.)	Gleny Ile, W. Va.	1872	E. G. Rohrbough	302	25
Graduate Teachers (C.)	Winnetka, Ill.		Frances L. Murray (dean)		
Great Falls College (C., E., S.)	Great Falls, Mont.	1932	Rev. J. J. Donovan	450	35
Harriet Beecher Stowe (C.)	St. Louis, Mo.	1890	Ruth Harris	446	21
Harriett Melsea Mills School for Kindergarten and Primary (W., S.)	New York, N. Y.	1909	Amy Hastler (dean)	145	15
Harris Teachers (C., S.)	St. Louis, Mo.	1904	William N. Sellman (principal)	250	36
Henderson State (C., S.)	Arkadelphia, Ark.	1929	Matt L. Ellis	464	37
Holy Name (W., E., S.)	Spokane, Wash.	1907	Sister M. Clare	132	21
Idaho State Normal School (C., S.)	Albion, Idaho		R. H. Snyder		
Do	Lewiston, Idaho		Glenn W. Todd		
Illinois State Normal University (C., E., S.)	Normal, Ill.	1857	R. W. Fairchild	1,370	192
Indiana State (C., E., S.)	Terre Haute, Ind.	1865	R. N. Tirey	950	
Iowa State (C., E., S.)	Cedar Falls, Iowa	1876	Malcolm Price	1,385	166
Ithaca (C., S.)	Ithaca, N. Y.	1892	Leonard B. Job	504	40
James Ormond Wilson (C., S.)	Washington, D. C.	1873	Walter E. Hager	237	41
Junior and Teachers (C., S.)	Kansas City, Mo.				
Kansas State (C., E., S.)	Emporia, Kans.	1865	James F. Price	1,493	192
Do	Pittsburg, Kans.	1903	Rees H. Hughes	600	111
Keene Teachers (C., S.)	Keene, N. H.		Lloyd P. Young		
Louisiana State Normal (C., S.)	Natchitoches, La.	1884	Joe Farrar	950	86
Lesley Normal School (W.)	Cambridge, Mass.	1909	Marguerite Franklin	80	18
Madawaska Training School (C.)	Fort Kent, Maine		Richard F. Crocker		
Madison (W., S.)	Harrisonburg, Va.	1908	Samuel P. Duke	787	72
Martin Luther (C.)	New Ulm, Minn.		C. L. Schweppe		
Mary Washington (W., E., S.)	Fredericksburg, Va.	1908	Morgan L. Combs	1,441	98
Maryland State (C., N.)	Bowie, Md.	1910	William E. Henry	146	14
Maryland State (C., S.)	Frostburg, Md.	1902	John L. Dunkle	175	21
Do	Salisbury, Md.	1925	J. D. Blackwell	125	13
Maryland State (C.)	Towson, Md.	1865	M. Theresa Wiedefeld	419	41
Marylhurst Normal School (W., E., S.)	Marylhurst, Oreg.	1911	Sister Miriam Magdala	52	1-
Massachusetts School of Art (C.)	Boston, Mass.	1873	Philip O. Palmstrom (acting)	195	18
Massachusetts State (C.)	Bridgewater, Mass.	1840	John J. Kelly	324	39
Massachusetts State (C., S.)	Fitchburg, Mass.	1895	Charles M. Herlihy	2-3	45
Massachusetts State (W.)	Framingham, Mass.	1839	Martin F. O'Connor	450	36
Massachusetts State (C., E., S.)	Hyannis, Mass.	1897	Anson B. Handy	110	
Massachusetts State (part C., E.)	Lowell, Mass.	1894	James Dugan	190	14
Massachusetts State (C.)	Salem, Mass.	1854	Edward A. Sullivan	328	23
Massachusetts State (C., E., S.)	North Adams, Mass.	1894	Grover C. Bowman	85	20
Massachusetts State (C.)	Westfield, Mass.	1839	Edward J. Scanlon	61	24
Do	Worcester, Mass.	1871	Clinton E. Carpenter	145	18
Memphis State (C., S.)	Memphis, Tenn.	1912	Richard C. Jones	900	44
Michigan State Normal (C., E., S.)	Ypsilanti, Mich.	1849	John M. Munson	1,056	169
Miner Teachers (C., S., N.)	Washington, D. C.	1851	Eugene A. Clark	376	50
Minnesota State (C., S.)	Bemidji, Minn.	1919	Charles R. Sattgast	261	49
Do	Duluth, Minn.		Herbert Sorenson		
Do	Mankato, Minn.	1869	Frank D. McElroy	85	62
Do	Moorhead, Minn.	1887	O. W. Snarr	275	54
Do	St. Cloud, Minn.	1869	D. S. Brainerd (acting)	345	62
Do	Winona, Minn.	1869	A. T. French	294	46
Miss Woods Kindergarten-Primary Training School (W.)	Minneapolis, Minn.		Stella L. Wood (principal)	80	11
Mississippi Southern (C., E., S.)	Hattiesburg, Miss.	1912	J. B. George	646	50
Montana State Normal (C., E., S.)	Dillon, Mont.	1893	Sheldon E. Davis	93	17
Morehead State (C., E., S.)	Morehead, Ky.	1923	William H. Vaughan	617	61
Mount Angel Normal School (W., S.)	Mount Angel, Oreg.	1888	Sister M. Gregory (dean)		19
Mount St. Joseph Teachers (W.)	Buffalo, N. Y.		Mother M. Teresina		
Murray State (C., E., S.)	Murray, Ky.	1923	James H. Richmond	699	69
National College of Education (C., E., S.)	Evanston, Ill.	1886	Edna Dean Baker	374	50
Nebraska State (C., E., S.)	Chadron, Nebr.	1911	Wiley G. Brooks	160	43
Do	Kearney, Nebr.	1905	Herbert L. Cushing	566	45
Do	Peru, Nebr.	1867	W. R. Pate	200	50
Do	Wayne, Nebr.	1910	J. T. Anderson	547	61
New Haven State (C., E., S.)	New Haven, Conn.	1893	E. Ward Ireland (acting)	310	22
New Jersey State (C., E., S.)	Glassboro, N. J.	1922	Edgar F. Bunce	290	26
Do	Jersey City, N. J.	1920	Chris C. Rossey	350	40
Do	Newark, N. J.	1913	Roy L. Shaffer	412	41
Do	Paterson, N. J.	1923	C. S. Wightman	225	24
Do	Trenton, N. J.	1855	R. L. West	511	70
New Mexico Highlands University (C., E., S.)	Upper Montclair, N. J.	1908	Harry A. Sprague	550	58
New Mexico State (C., E., S.)	Las Vegas, N. Mex.	1893	Edward Eyring	236	33
New York State College for Teachers (C., E., S.)	Silver City, N. Mex.	1893	H. W. James	200	46
New York State (C.)	Albany, N. Y.	1844	John M. Sayles	896	95
New York State (C., E., S.)	Brookport, N. Y.		Ernest C. Hartwell		
New York State (C., E., S.)	Buffalo, N. Y.		Harry W. Rockwell	750	75
New York State (C.)	Cortland, N. Y.		H. De W. DeGroot		



Name	Location	Year organized	Governing official	Number of students	Number of teachers
New York State (C., S.)	Fredonia, N. Y.		Leslie R. Gregory		
Do.	Geneseo, N. Y.		James B. Welles		
Do.	New Paltz, N. Y.		Lawrence H. van den Berg		
Do.	Oneonta, N. Y.		Charles W. Hunt		
Do.	Oswego, N. Y.		Ralph W. Swetman		
Do.	Plattsburg, N. Y.		Charles C. Ward		
Do.	Potsdam, N. Y.		Clarence O. Lehman		
North Dakota State Normal and Industrial School (C., E., S.)	Ellendale, N. Dak.	1889	J. C. McMillan	126	24
North Dakota State (C., E., S.)	Dickinson, N. Dak.	1918	Charles E. Scott	23	26
Do.	Mayville, N. Dak.	1889	Cyril W. Grace	26	24
North Dakota (C., E., S.)	Minot, N. Dak.	1913	C. C. Swain	736	46
North Dakota State (C., E., S.)	Valley City, N. Dak.	1889	E. H. Kleinpell	25	50
North Texas State (C., S.)	Denton, Tex.		W. J. McConnell		
Northeast Missouri State (C., E., S.)	Kirksville, Mo.	1887	Walter H. Ryle	1,141	60
Northeastern State (C., E., S.)	Tahlequah, Okla.	1909	John Vaughan	537	46
Northern Illinois State (C., E., S.)	DeKalb, Ill.	1895	Karl L. Adams	602	58
Northern Michigan College of Education (C., E., S.)	Marquette, Mich.	1899	H. A. Tape	400	57
Northern State (C., E., S.)	Aberdeen, S. Dak.	1902	N. E. Steele	450	38
Northwest Missouri State (C., E., S.)	Maryville, Mo.	1905	Uel W. Lamkin	545	65
Northwestern State (C., S.)	Alva, Okla.	1897	Sabin C. Percefull	300	52
Nursery Training School (W., S.)	Boston, Mass.	1922	Abigail A. Eliot (director)	40	11
Oregon College of Education (C., E., S.)	Monmouth, Oreg.	1882	C. A. Howard	22	10
Pacific Lutheran (C., E., S.)	Parkland, Wash.	1894	S. C. Fastvold	350	30
Panzer College of Physical Education and Hygiene (C., S.)	East Orange, N. J.	1917	Margaret C. Brown	116	9
Pembroke State (C., E., S.)	Pembroke, N. C.	1887	R. D. Wellons	75	15
Pennsylvania State (C., S.)	Bloomsburg, Pa.	1839	Harvey A. Andruss	609	45
Pennsylvania State (C., E., S.)	California, Pa.	1855	Robert M. Steele	373	33
Pennsylvania State (C., S.)	Clarion, Pa.		Paul G. Chandler	250	25
Pennsylvania State (C., E., S.)	East Stroudsburg, Pa.	1893	Joseph F. Noonan	275	38
Do.	Edinboro, Pa.	1861	L. H. Van Houten	125	24
Do.	Indiana, Pa.	1875	Joseph M. Uhler	1,205	112
Pennsylvania State (C., S.)	Kutztown, Pa.	1866	Q. A. W. Rohrbach	250	33
Pennsylvania State (C., E., S.)	Lock Haven, Pa.	1870	Richard T. Parsons	265	29
Do.	Mansfield, Pa.	1862	Willis E. Pratt	474	60
Pennsylvania State (C., S.)	Millersville, Pa.	1854	Landis Tanger	480	45
Pennsylvania State (C., E., S.)	Shippensburg, Pa.	1871	Albert L. Rowland	293	33
Do.	Slippery Rock, Pa.	1889	John A. Entz	358	45
Do.	West Chester, Pa.	1871	Charles S. Swope	1,350	80
Perry Kindergarten Normal School (W.)	Boston, Mass.		Harriet H. Jones (principal)		
Pestalozzi Froebel Teachers (C., S.)	Chicago, Ill.	1896	Herman H. Hegner	136	28
Plymouth Teachers (C., E., S.)	Plymouth, N. H.		Ernest L. Silver	125	30
Prairie View State Normal and Industrial (C., E., S., N.)	Prairie View, Tex.	1876	W. R. Banks (principal)	1,028	72
Rhode Island College of Education (C., S.)	Providence, R. I.		Lucius A. Whipple		
Sam Houston State (C., E., S.)	Huntsville, Tex.	1879	Harmon Lowman	835	60
Shepherd (C., E., S.)	Shepherdstown, W. Va.	1871	W. H. S. White	422	20
Sisters (W., S.)	Cleveland, Ohio		Joseph Schrems		
Southern Oregon College of Education (C., S.)	Ashland, Oreg.	1926	Walter Redford	200	25
Southern State Normal School (C., S.)	Springfield, S. Dak.	1881	W. A. Thompson	169	24
Southeast Missouri State (C., E., S.)	Cape Girardeau, Mo.	1873	W. W. Parker	1,537	65
Southeastern State (C., E., S.)	Durant, Okla.	1909	T. T. Montgomery	800	48
Southern Illinois Normal University (C., E., S.)	Carbondale, Ill.	1876	Roscoe Pulliam	1,705	142
Southwest Missouri State (C., E., S.)	Springfield, Mo.	1919	Roy Ellis	1,000	75
Southwest Texas State (C., E., S.)	San Marcos, Tex.	1903	J. G. Flowers	1,400	62
Southwestern Institute of Technology (C., E., S.)	Weatherford, Okla.	1903	G. S. Sanders	800	53
Stephen F. Austin State (C., E., S.)	Nacogdoches, Tex.	1923	Paul L. Boynton	750	60
Stout Institute (C., S.)	Menomonie, Wis.	1903	Burton E. Nelson	505	51
Sul Ross State Teachers (C., E., S.)	Alpine, Tex.	1920	H. W. Morelock	300	27
Teachers (C., E., S.)	New Britain, Conn.	1849	Herbert D. Welte	350	35
Teachers (W., E.)	Boston, Mass.	1852	William H. J. Kennedy	111	25
Teachers (C., S.)	Kansas City, Mo.		J. C. Bond		
Teachers (C., E., S.)	Cincinnati, Ohio	1928	Very Rev. Msgr. C. Ryan (dean)	285	29
Teachers of Columbia University (C., E., S.)	New York, N. Y.	1888	William F. Russell (dean)	4,465	456
Tennessee State (C., S.)	Johnson City, Tenn.		Charles C. Sherrod		
Tennessee State (C., E., S.)	Murfreesboro, Tenn.	1911	Q. M. Smith	710	38
Training School for Teachers of Mechanical Arts	South Boston, Mass.	1888		24	6
Vermont State Normal School (C.)	Castleton, Vt.	1867	Ermo H. Scott (principal)	96	13
Do.	Johnson, Vt.	1867	D. W. McClelland (principal)	62	11
Do.	Lyndon Center, Vt.		Rita L. Bole (principal)		
Virginia State (W., S.)	Farmville, W. Va.		J. L. Jarman		
Virginia State (W., E., S.)	Redford, Va.	1913	D. W. Peters	570	55
Viterbo (W., S.)	La Crosse, Wis.	1939	Rev. Mother Engelberta	78	39
Washington State Normal School (C., S.)	Machias, Maine	1909	C. O. T. Wiedner	61	8
West Liberty State (C., E., S.)	West Liberty, W. Va.	1837	Paul N. Elbin	222	24
West Texas State (C., E., S.)	Canyon, Tex.	1910	J. A. Hill	1,051	70
Western Carolina (C., E., S.)	Cullowhee, N. C.	1889	H. T. Hunter	425	30
Western Illinois State (C., E., S.)	Macomb, Ill.	1899	F. A. Beu	754	80
Western Kentucky State (C., E., S.)	Bowling Green, Ky.	1906	Paul L. Garrett	1,500	79
Western Michigan (C., E., S.)	Kalamazoo, Mich.	1904	Paul V. Sangren	2,400	200
Western State (C., E., S.)	Gunnison, Colo.	1911	C. C. Casey	309	27
Western State Normal School (C., S.)	Gorham, Maine		Francis L. Bailey		
Western Washington College of Education (C., S.)	Bellingham, Wash.		W. W. Haggard		
Wheelock (W.)	Boston, Mass.	1889	Winifred E. Bain	285	19
Willimantic State (C., E., S.)	Willimantic, Conn.	1889	George H. Shafer	165	45
Winston-Salem Teachers (C., E., S., N.)	Winston-Salem, N. C.	1892	Francis L. Atkins	582	23
Wisconsin State (C., S.)	Eau Claire, Wis.	1916	W. R. Davies	350	42
Do.	LaCrosse, Wis.	1909	Rexford Mitchell	461	58
Do.	Milwaukee, Wis.	1880	Frank E. Baker	900	93
Do.	Oshkosh, Wis.		Forrest R. Polk		
Wisconsin State (C., E., S.)	Platteville, Wis.	1866	Chester O. Newlun	203	42
Wisconsin State (C., S.)	River Falls, Wis.	1874	J. H. Ames	400	43
Do.	Stevens Point, Wis.		William C. Hansen		
Wisconsin State (C., E., S.)	Superior, Wis.	1896	C. W. Smith	325	57
Do.	Whitewater, Wis.	1868	C. M. Yoder	550	56

Mr. RANDOLPH. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from West Virginia is recognized for 10 minutes.

Mr. RANDOLPH. Mr. Chairman, I have a very deep personal affection and high regard for the opinions of our colleague from New York [Mr. REED], and

in a moment I shall ask his attention to a further discussion of the problem he has raised.

Prior to that subject, and it is a point which is a very important consideration in this bill, I should like to state to the membership on the floor at this time that perhaps never before in the history of our Republic has the Congress of the

United States, we who are the legislators from districts and States in the House and Senate, been called upon to give more careful and thought-provoking attention, and then action, to matter which affects the general welfare and the well-being of our people.

I say let us speak and vote carefully with an understanding of what the Sen-



ate has already done in connection with unemployment compensation for those war workers who will be displaced in the factories, turning out materials with which we fight relentless and ruthless foes. That bill is of importance and has been disposed of at least temporarily and will be acted upon later by this body. There is also the second subject of reconversion of the plants which today are turning out products essentially and strictly for the prosecution of the war; and we must realize that it can and it will be utilized if we think clearly toward the peacetime productivity of this Nation; and then in the third instance there is the subject matter of this disposition of surplus Government property, which concerns us very directly this afternoon. It is at this time that I invite the attention, as I said I would earlier, of the gentleman from New York and those who interrogated him, as to the needs of our educational institutions and the property and products which can properly be distributed to them. Let me say that the gentleman from Texas [Mr. GOSSETT] and myself during the committee consideration of this measure were most insistent that there be some definite language proposed which would provide for the educational institutions. I offered the amendment which I now read, on behalf of the gentleman from Texas and myself, and it would be placed on page 17 of the bill, a new subsection under general provisions:

Insofar as possible—

Reads the amendment which was proposed—

surplus equipment suitable for school purposes shall be sold or given to the various educational institutions of the United States on the basis of need.

That proposal was defeated after considerable comment by Members both pro and con. We then attempted to have the amendment accepted by the deletion of certain words. After "sold" we struck "or given"; and after "States" we struck "on the basis of need," hoping that we might retain identity of action in reference to educational institutions.

That amendment in its modified form was defeated by your Committee on Expenditures in the Executive Departments, and so these two attempts made by the gentleman from Texas [Mr. GOSSETT], joined by myself, were not acceptable. This brings me to my contention. I felt very strongly that we should place in the bill in very readable and workable language exactly what we mean on the matter of disposition of surplus Government properties to educational institutions.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I asked the gentleman from New York [Mr. REED] to speak on that subject. I have also been thinking about it. I hope the gentleman will place in his amendment after the word "sold" the additional words "or loaned;" because machine tools should be loaned but title should be kept in the Government so we might repossess them if we needed them again. They cannot afford to pay

for them anyway now, but it is the machine tools more particularly than anything else that they need but cannot afford to buy. Why can we not lend them but keep title in the Government? This end would be achieved if the gentleman would add the words "or loaned" after the word "sold."

Mr. RANDOLPH. I am very glad to have the gentleman's suggestion.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. A provision of that kind was placed in the appropriation bill providing for the winding up of the National Youth Administration.

Instead of its being placed in service, it has been placed in warehouses. If you want something of that kind for any school, why do you not go there and get it and put it in circulation? That operation in connection with disposition of surplus property has been one of the most outrageous in the history of the country. We have not had any action, and it has not gotten to the place where it will do any good.

Mr. RANDOLPH. I thank the gentleman from New York for his further contribution.

Mr. GOSSETT. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. GOSSETT. In response to the observation made by the distinguished gentleman from New York relative to N. Y. A., we also wrote into that legislation that the War Department should have priority and if they did not elect to use this equipment then the schools might have access to it. I think you will find that the War Department stored it, and the schools were denied the use of it.

Mr. RANDOLPH. I think that is correct in large part.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say that under section 21 of this bill, where the property was allocated to schools, the law is recognized under the N. Y. A. program, and we do not interfere with that in the least. If that property was loaned to the school, why it can continue to be loaned without being interfered with.

Mr. TARVER. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Georgia.

Mr. TARVER. I asked the gentleman to yield for the purpose of clarifying the situation with reference to the N. Y. A. property, which according to the terms of the Labor-Federal Security Appropriation Act of 1945, where heretofore loaned to the schools, has been donated to the schools. The title of the Government has been divested by the Labor-Federal Security Appropriation Act for the present fiscal year.

Mr. TABER. They are still monkeying around with it and have been within the last 2 or 3 days. I want to see the Government get rid of this stuff and I

am afraid this bill will not do that. That is what I am afraid of.

Mr. MURDOCK. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Arizona.

Mr. MURDOCK. May I say that I am greatly interested in what the gentleman has to say with regard to the schools, just as I was interested in what the gentleman from New York [Mr. REED] said. I am in sympathy with that thought, as the hearings will show on pages 174 and 175.

I would like to ask the gentleman a question. Has there been any proposal that the sales be made to schools and colleges at a reduction? They are tax-supported institutions. This property has been paid for by the taxpayers already and I think the property could still be disposed of for cash on a fair basis but at a reduced price to those institutions which are tax supported.

Mr. RANDOLPH. Yes. I remember the very helpful testimony of the gentleman from Arizona when the committee had its hearings.

May I observe as a rather over-all statement before I leave this particular subject that we must realize that the able Mr. Will Clayton, who has been acting under an Executive order in connection with the disposal of surplus property, issued an order on July 26 in which he attempted, and honestly attempted, we will say, to bring out his belief that educational institutions should receive equipment which would be helpful. But I refer you now to section 11 of the bill that has to do with the policies which govern disposition and you will find that subsection (b) states in the following language at least a partial approach to assistance to our educational institutions. The gentleman from New York and others will note that we would afford educational institutions an opportunity to fulfill their legitimate needs. I take it that the gentleman from New York is not satisfied with that policy governing the disposition of property in connection with certain equipment which would go to schools.

Mr. REED of New York. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. REED of New York. I am thinking of the great rank and file of public institutions that have had, and may continue to have, a very difficult struggle to get back on their feet. There are some 75 colleges with endowments of more than \$2,000,000, but I am thinking of a long list I have here of institutions such as probably may be found in the gentleman's district and my district where we know that they have very few students, and had it not been for the training of Army men and Navy men perhaps they would have gone under. Some of these institutions are well endowed and probably their endowments are in good shape. They can buy these things. I was hoping that there would be something worked out in the nature of a loan or something to take care of that.



Mr. RANDOLPH. We used the language "sold or given," which would attempt to take care of the class of institutions which the gentleman mentioned.

Mr. REED of New York. I appreciate that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RANDOLPH. Mr. Chairman, it will not be my purpose to impose myself upon the Committee any longer than the 5 minutes just allotted me.

I turn now to a subject which was brought to the attention of the Committee this afternoon by the gentleman from Nebraska [Mr. STEFAN], who questioned the distinguished gentleman from Mississippi as to his individual belief about the disposition of synthetic rubber plants. Your Government, through taxpaying dollars, has erected these plants in 49 units throughout the United States. One is in my State. I was pleased at the answer of the gentleman from Mississippi [Mr. WHITTINGTON]. It is one I reaffirm and have stated on many occasions in public. It is simply this: The philosophy expressed in certain high Government circles to the effect that the \$750,000,000 which we have expended in the building of these synthetic rubber plants, at the conclusion of the war in the opinion of these individuals, should be scrapped. If so, we should return once again to a nation importing crude rubber from the British and the Dutch. That view is not sound. I am not complaining in the well of the House this afternoon, that under those monopolies we were paying more than we should have paid for the product. I only say we had to pay exactly what they asked us to pay because in this country we failed to develop the synthetic processes of rubber production to any usable degree. Now that we have done it as a Nation, it would be tragic if at the conclusion of a victorious war these huge facilities are scrapped. We would once more drift into the channels of the importation of crude rubber.

Mr. CALVIN D. JOHNSON. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. I wish to commend the gentleman for the expression that he has just made. I noticed recently a statement appearing in the public press to the effect that conferences were being held immediately with Holland and England. I think it would be well for the Congress to heed the warning the gentleman has given and to watch the interests which we have paid for and developed.

Mr. WRIGHT. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I agree with the gentleman that we should protect our synthetic rubber production. I think it would also be a good idea if we could encourage the growing of natural rubber, either in the southern part of our own country or in some of our neighboring

countries to the south of us, in South or Central America.

Mr. RANDOLPH. I thank the gentleman for that observation. As a people the best indication of what we should do after victory is won, is to look back and see what we failed to do before we became enmeshed in this present war. We were too tardy in attacking the problems of production and distribution which America needed.

Mr. Chairman, as I conclude, may I say it is the thought of the committee which considered very carefully this bill, in connection with the Post-war Economic Planning Committee, and with the Congress itself, that in the over-all consideration of this legislation, that we as Members, thinking in terms of an obligation to the people of this country who have paid for the war in dollars and cents, should see to it that there is no disruption in the orderly processes of business by surplus properties being dumped on the market. In the second place, we should see to it, and should insist upon it, that those who have paid the bill for these materials and products now owned by the Government, should not be highjacked by a small clique or group of individuals who would attempt to foist themselves upon the country as profiteers. They would turn back to the people who paid the bill these products that were used in the prosecution of this conflict. There should be no repetition of what happened in the tragic experiences of World War No. 1 for the people of America.

Amendments will be offered when we read the bill tomorrow. I think a non-partisan attitude will influence the House in the consideration of this important measure. When we finally pass it as an enactment of this legislative body, hoping for approval of the Senate and then the signature of the President, let us be able to say to the people of the country: "We have kept our obligations to you insofar as we had the knowledge to proceed, and we are going to see to it that the channels of trade can in orderly fashion absorb these materials and at the same time we pledge to the people of America that there be no profiteering by a small group of individuals such as those who leached themselves on this country at the conclusion of the war in 1918."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENDER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CALVIN D. JOHNSON].

Mr. CALVIN D. JOHNSON. Mr. Chairman, many programs for the disposal of Government surplus property have been suggested, and a great deal of thought has been given by the Congress and various leading economists of the Nation to proposals of this kind.

I have here the suggestions that were forwarded to me by an engineer in the United States Navy, a man who has put in several years in the service of his country, and who went through the last post-war period in which we disposed of surplus materials. I would like to give the House the benefit of the suggestions

that this man has made, and I will do so by reading the proposed plan that he suggests:

The Nation is confronted, even at this moment, with three interlocked problems which promise to become critical in the near future, viz—

1. Returned servicemen must be given useful employment. This is a pledge and a moral obligation.

2. Surplus supplies of the armed forces must be disposed of. The quantity in this case will be such that the method hitherto used would cause a shameful loss and probably serious economic effects.

3. Economic control, to some extent, will be necessary, if the first few years after the war are not to suffer violent disturbances. The rate of flow of this surplus can be beneficial or disastrous.

It is believed the plan here outlined will afford some relief in the solution of all three problems at once. And in contrast with previous situations of the same sort, the operation should be considerably better than self-supporting.

The organization which was capable of buying and handling the bulk of this material should be equally competent to sell it. That organization is complete and requires only minor legal and internal adjustments. Briefly, the plan is as follows:

(a) Turn over to the Army Quartermaster Corps all surplus war supplies of all branches of the forces; all materials discarded or obsolesced by Government civilian departments and agencies; all temporary buildings together with their components, equipments, and furnishings. In the case of manufacturing plants this includes such machinery and tools as are not retained by the authority in charge of the plant operation.

They shall also take over, in situ, the junk from battlefields, sunken ships which may possibly be salvaged, and salvageable material resulting from the clearance after enemy activity of ports under Government control.

(b) All such material is to be sold at retail to the general public in single units or small lots wherever there is a buyer. Bulk items, such as scrap metal and building materials, should be made available to any industrial or other small-lot buyer, such as foundries, contractors, or other prime users, but the basic principle of the operation should be that nothing salable in units, to the consumer, is to be offered in large lots at auction until it is conclusively shown that a retail demand does not exist, and even if sold at auction, a retail purchaser should be supplied.

(c) Members of all armed forces are to be invited to remain with or be transferred to the Quartermaster Corps, voluntarily, to operate this activity. Enlistment should be of indefinite length and terminable at the will of the volunteer, or, for good cause, by the Army.

(d) Primary method of distribution will be by establishing one or more stores in communities where even a small demand warrants and by soldier-operated concessions in established civilian stores. Since many articles are not suitable for stock display, nor much in demand, each store is to be provided with a catalog covering everything available. In many cases a man should travel through the farm or remote sections with a catalog, taking orders.

(e) Prices should consider the condition of the article and be based upon those of commercial articles where such exist. However, these prices (or withholding) afford an exceptional opportunity to temper the effect of economic surges. Further, the pricing of certain goods in underprivileged sections of the country should afford an important step in social betterment. A small discount should be allowed to discharged members of



the armed forces. States, counties, and cities should be allowed only a very small discount below the price to an individual.

(f) The personnel of this activity should retain full Army status and control. No bonds would be necessary. Base Army pay plus subsistence should continue, and a moderate commission on sales be allowed. As war materials become exhausted, managers in certain localities should be allowed to invest their own money in commercial goods and thus gradually establish their own businesses.

(g) If servicemen from existing forces are not available for the full operation of this program, the Army should be authorized to enlist voluntary personnel, who after indoctrination and training may be assigned to this duty.

(h) A credit service similar to, or operated by, F. H. A., should be available for installment payment of amounts down to say, \$50, on items of necessity, such as tractor machinery, houses, and scientific instruments; in fact, for any item which operates to increase the well-being of the Nation.

(i) Buildings are to be removed by enlisted personnel (who request this employment) under Corps of Engineers supervision, and the process so managed as to retain the maximum of resale value. Other large equipment which cannot be moved intact, or must be scrapped, is to be handled by the same forces with the same end in view.

(j) Since such items as bulk junk in the larger quantities may on occasion be impossible to price, the office of the Judge Advocate General should have authority, upon request of the Quartermaster Corps, to sell it at auction.

(k) Medical, surgical, and hospital supplies not retained by the war agencies are to be turned over to the Public Health Service and the American Red Cross, and allocated according to their mutual agreement. These agencies shall retain such as their immediate prospective needs require, and shall distribute to local health authorities, for strictly gratis use, monthly allotments based upon the needs of various communities.

(l) At the request of the Public Health Service the Surgeon General may send into understaffed and underprivileged areas volunteer medical personnel from the armed forces, to administer the use of supplies and, if acceptable to local authorities, to practice medicine and nursing.

(m) Since many articles are not suitable for civilian use in their present condition, it might be well to use available engineers from the service to study their redesign or conversion to the end that they be diverted from the scrap heap.

Any material or instrument within the cognizance of the corps, shall be subject to requisition by Government agencies. And semipublic nonprofit research institutions which release for the public use all results, discoveries, and inventions, may requisition such goods upon certification of need by any dominant Government agency in a like sphere of activity. This should not bar those non-profit institutions that hold patents and collect royalties thereon as means of self support.

During its existence the Government price control agency, and thereafter the Department of Commerce, should be consulted as to prices and rate of release of goods. However, any enabling legislation enacted should not direct "which end of the pin should point North." The Quartermaster Corps, through reports from its widely distributed outlets, should be able to determine correct prices for each situation and should have considerable leeway to meet changing conditions promptly.

This being strictly an Army activity, on Government business, no person or group of persons, however associated, should be permitted to hamper its execution, nor to use

any form of coercion tending to divert personnel from the performance of duty.

Any legislation should be carefully armed against tampering by politics and patronage. Restriction against political activity similar to those of the civil service should apply to the personnel.

#### ARGUMENT

Of course, the first reaction to this plan will be a protest from some manufacturers that the Government is entering business in competition with private enterprise. The answer is that this material is going into the market in any case and a choice must be made between a regulated sale with the returns replacing taxes, or an unregulated sale by persons whose only interest is in making millions at public expense.

It is reasonable to believe, in the light of experience after other wars, that the difference between the returns from auction sale and retail sale will cover the entire cost of the program. If an exhibit is necessary, consider for a moment the probable profit a job lot buyer would make on such items as:

Cameras and enlargers.  
Trucks, cars, and parts.  
Field glasses and telescopes.  
Walkie-talkie and other radio.  
Arms and ammunition.  
Training and other aircraft.  
Electric meters and scientific instruments.  
Tractors and earth-moving equipment.  
Tools and home-workshop machinery.  
Standard types of machine tools, etc.

Compilation of catalogs should be started immediately by disabled men, and those with medical discharges should be allowed to re-enlist. The first trickle of suitable material should be used to establish pilot and experimental outlets of various types.

This outline of the plan I presented orally on June 9 is not presumed to be a complete analysis of the proposition, but the framework is here and it is submitted for use as you see fit, I hope it may accelerate the national readjustment.

Sincerely,

J. EDWARD MACADAMS.

CHEVERLY, Md.

Mr. Chairman, I submit these suggestions for the RECORD in their entirety, and I would appreciate a study of their features by the Members of the House. I believe they have merit. We are rapidly approaching the time when a great deal of material will be dumped on the market, and with a program such as this, through amendments, the small merchant will be permitted to buy any amount he can use. He should be allowed a discount comparable to that granted large purchasers, affording him an opportunity to compete.

Returning veterans would be given employment by selling from catalogs to retail purchasers at prices that would not destroy the small merchant.

Without a plan similar to this, materials will be disposed of at public auction in huge lots at ridiculously low prices, and so-called Army stores will be opened in every town in the Nation to operate in competition with local merchants.

Mr. GOSSETT. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, as I said to the gentleman from West Virginia a few minutes ago, I also am very much interested in arranging for disposal of some of this surplus war property to public schools and institutions of learning where it is so greatly needed

and which would make the best possible use of it.

My statement before the committee, which may be found in the hearings, indicates that I had hoped that some of this property would be donated for educational purposes, but if that is out of the question, I do think that a plan could be evolved by which tax-supported institutions of learning and units of government might not only fill their needs, but be given special discount rates on purchases. If time permitted I could indicate a plan, but which I will not attempt to do at this moment.

Someone said in debate yesterday that this bill was filled with pious phrases. I think the statements of policy are admirably expressed. I know that in a task of this magnitude we cannot write detailed provisions of law. We must put this important matter up to an administrative authority, who will have great power and wide discretion. I see no other way to get this thing done. I have listened carefully the last few minutes to the elaborate plan of the gentleman from Illinois [Mr. CALVIN D. JOHNSON], and I shall reread his plan in detail. If I should attempt to make detailed provisions for disposal of this property in the law, I would certainly begin first by inserting reserve or stock-pile provisions basically necessary for national defense. In section I, the very first statement is that the disposal shall be in a way calculated to aid the war and national defense. Certainly such stock piles of the strategic minerals and metals should come first in such an arrangement.

Before the First World War and before this Second World War, our Nation was woefully unprepared in that it lacked stock piles of critical and strategic materials and especially of the war minerals. I think provisions guarding against such lack should be written into the law. If it is not written into the law, it ought to be the first principle of action by the authority administering this measure. Such is the meaning of (a) in section 1 of the objectives in this bill as I construe it.

Last spring when William L. Clayton came before the Special Committee on Post-war Economic Policy and Planning to discuss the surplus war property disposal I asked him whether one move to deal with the surplus would not be to stop the supply from outside of such as was surplus. That seems logical. As illustration I spoke of running water in a house which is very desirable usually and which in case of fire is needed in greater quantities to put out the fire. However, after the fire is out the water must be turned off to prevent its doing more harm than good. In somewhat the same way these war supplies, so necessary in war but no longer needed, must not be augmented by a failure to turn off the supply at the right moment. This may apply to certain mineral importations and to certain agricultural imports. Stopping such importations no longer needed should be a part of the policy of dealing with the question of war surplus.

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)



Mr. GOSSETT. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

#### SURPLUS PROPERTY AND SMALL BUSINESS

Mr. PATMAN. Mr. Chairman, the House Small Business Committee, of which I am chairman, has a very special interest in this question of surplus property disposal legislation. I am inserting at the end of my remarks a copy of a report entitled "The Control, Disposition, and Sale of Government-Owned Surplus Property" that was made by our Committee on Small Business on November 1, 1943. I am also inserting a report made by our Committee on Small Business on March 9, 1944, on The Surplus Property Problem From the Viewpoint of Small Business.

As the representative from a congressional district where several large Government-owned plants and factories are located, I have a very personal interest in this vast problem.

The very able gentleman from Mississippi [Mr. COLMER] and his competent and experienced staff of experts have put together a measure in H. R. 5125 which shows a real awareness of the complexities of this great problem and the need for providing, through legislation, the means for disposing of these billions of dollars' worth of surplus goods and other properties through an orderly and sensible program.

The few changes made in the bill by the Committee on Expenditures in Executive Departments reflect the seasoned judgment of the chairman of that committee, the gentleman from Alabama [Mr. MANASCO] and the other gentleman from Mississippi [Mr. WHITTINGTON] and their colleagues who undertook a study of this big question more than a year ago from the standpoint of government economy and greater efficiency in the administration of the multiple problems which were bound to arise in this connection.

Last September, nearly a year ago, the House Small Business Committee ventured to undertake also an investigation and study of the surplus disposal problem. We undertook our study, not for any lack of confidence in the various other committees which were also seeking information on this subject but rather because we were convinced that the subject was so gigantic in scope that no single committee of the Congress could possibly hope to cover the entire subject in all of its ramifications in any single series of hearings on the question.

Our study was first directed toward securing an expression of general opinion from the heads of the various major war agencies to seek from these men their views as to the question of mechanical operation of the Government in the handling of such a problem. Without exception, such agency chieftains as Under Secretary Patterson, Secretary Forrestal, Federal Loan Administrator Jesse Jones, and Admiral Land all stated forcefully that it was their considered view that the disposal of surpluses should be concentrated in the hands of a single central disposal agency. H. R. 5125, although not

confining the actual disposal function to a single agency, does centralize general supervision in a single agency or individual and with that view we have no particular quarrel.

Our principal purpose in undertaking our investigation of this matter was to develop information as to how our own special charge—the small businessman—was most likely to be affected by the problem about to be posed through accumulation of surpluses and what kind of legislation was most likely to be needed to afford this man the greatest protection and opportunity for fair and equal participation in the distribution of these coming surpluses.

We recognized that the Committee on Expenditures, for example, was especially concerned in devising legislation which would lead to good housekeeping on the part of the Government and would provide better mechanical handling of the determination of what constituted surpluses and what methods should be put into effect to prevent expenditures for items which already reposed as surplus in the hands of certain agencies. H. R. 2795—the O'Leary bill—reported out by that committee last summer and passed by the House at that time, was evidence of that committee's sound thinking along those lines.

We recognized that the Committee on Public Buildings and Grounds was quite properly concerning itself with the problem of excess and surplus real estate which would remain in the Government's hands at the end of the war and that the Agriculture Committee had a real and necessary interest in the question of surplus food stocks.

With the appointment of the House Post-war Planning and Economic Committee shortly after we commenced our studies of this subject, we recognized the need for the appointment of some committee to exercise direct concern with the matters of over-all demobilization and long-range planning for the peace. We recognized, correctly, I believe, that such a committee would quite properly afford a forum for the viewpoint and expressions of the larger industrial interests of the Nation and would give great heed to all programs which might better insure full employment and maximum utilization of our productive facilities after the war.

We felt, however, that due to the magnitude of this problem, and the multiplicity of factors and questions which naturally entered into any real study of it, possibly the problems of the small businessman, especially the small merchant, be he retailer or wholesaler, might not be given quite the full consideration they deserved unless we continued and concluded our study of this subject more or less exclusively from his point of view.

I do not need to give this body a definition of small business. Neither do I need to emphasize the importance and value of the small businessman in each and every community. Mr. Baruch in his report last February defined small business in a more correct and refreshing way than I could hope to improve upon. Messrs. Baruch and Hancock, in their report on post-war adjustment

policies, define small business as "the broad backbone of enterprises, scattered throughout the country, which rely largely on the initiative and resourcefulness of their individual proprietors."

In terms of round numbers, small business consists of approximately 2,000,000 small firms employing approximately 8,500,000 employees in addition to their proprietors. Of these 2,000,000 firms, less than 10 percent are engaged in manufacturing. The balance are engaged in distribution and in the service trades, principally at retail.

As a result of our numerous hearings on the subject from this point of view, a bill was drafted by the Small Business Committee which I introduced last December with the full support and endorsement of the other eight members of the committee.

The bill, which was referred to the Banking and Currency Committee, did not presume to offer a full solution to all problems attendant upon the disposal of surplus goods. It did, however, contain certain provisions for the protection of small business and clauses which were designed to assure small business a fair and equitable participation in the distribution of these surpluses, especially the surplus consumer goods, the so-called movable items.

Tomorrow, acting under the rule, I propose, on behalf of the Small Business Committee, to tender to the House certain amendments to House Resolution 5125 which are specifically directed to the problem and the protection of the small businessman in this connection. Today, however, I desire to address a few remarks to the House from what I conceive to be the viewpoint of the small businessman and which may serve to support what I may offer tomorrow with fewer words of substantiation.

A few days ago, I was privileged to obtain the views of a man whom I consider to be a typical small businessman. Our original topic of conversation and the common ground which brought us together was this very subject of surplus property disposal. This man, a successful small merchant living in a city of about 40,000 people, was greatly concerned as to just what program the Congress might adopt in this connection. Surprisingly enough, he was not so greatly concerned as to whether or not he secured for himself a large volume of these goods as he was concerned with the question of general policy and the long-range effect which any surplus disposal program and other readjustment measures might have upon his own and other similarly situated communities. As best I can, I should like to paraphrase his remarks and give you what he said substantially in his own words.

He said this:

The heart of America is Main Street in the average town or city. The independent merchants whose places of business are scattered up and down this Main Street form the hub around which the business and even the social life of each community revolves. Even to the farmer living outside the town, but dependent upon it for his supplies and contact with current events, Main Street is the hub. Without these merchants, with their independence, their pride of ownership



and their pride and love for their own community, no town or city could long maintain its civic pride or its sense of business and economic kinship with the rest of the Nation.

The Congress—

He said—

has one fundamental duty to perform in devising a program covering the disposal of these vast stores of Government-owned surpluses, merchandise, equipment, manufacturing plants, and other items. It must give full and real consideration to the place that the individual merchant—be he retailer or wholesaler—holds in the life of America today. When this surplus merchandise is sold, he must be allowed his actual opportunity to acquire his share of these goods, not as a speculator, but as a merchant seeking to replenish his depleted stocks. Let him purchase these through his wholesaler if he is accustomed to doing business that way, but whatever you do, give him his just opportunity to acquire his share of these goods.

Furthermore—

He said—

do not dismantle these Government-owned manufacturing plants or sell them to giant concerns who might, in turn, dismantle them, until the local communities have had an opportunity to study their post-war possibilities from the viewpoint of the local situation. Remember that their being built in a community during wartime has had a marked effect upon the business and social life of that community. To dismantle them or to transfer them to others who did not have the feeling of local pride and desire to keep the community alive and prosperous would be an almost criminal act. Maybe the plant as now constructed will not fit into the community's post-war economic picture, but, at least, grant the local citizens sufficient time to make their own independent study of this possible asset before moving too hastily in matters of this sort.

The man who said that did not happen to come from Texas, although he might have been voicing a sentiment I have already heard expressed by many folks from that State. This man lives and conducts his business in a small city in middle New York State, but, to me, he spoke for every small-town merchant and responsible little businessman in the country today.

We are faced with a grave responsibility in the matter of this legislation which is now before us. The manner in which we handle this will be reflected in the economic and the social and political life of this Nation for a good many years to come. It is my sincere hope that the Members, in their consideration of this measure, will not fail to distinguish between first aid measures and measures leading to permanent reconstruction to the end that nothing is done which will further weaken or jeopardize the present position of that class which, in my opinion constitutes the real bulwark of democracy—the small businessman.

THIRD INTERIM REPORT OF THE HOUSE SMALL BUSINESS COMMITTEE ON THE CONTROL, DISPOSITION, AND SALE OF GOVERNMENT-OWNED SURPLUS PROPERTY

Mr. PATMAN, from the Special Committee Investigating Small Business, submitted the following third interim report (pursuant to H. Res. 18):

Acting upon the request of several trade associations, numerous small business firms, and Members of Congress, the House Committee on Small Business recently initiated a series of hearings on the subject The

Control, Disposition, and Sale of Government-Owned Surplus Property.

The members of the House Committee on Small Business are as follows: WRIGHT PATMAN (Texas), chairman; J. W. ROBINSON (Utah); EUGENE J. KEOGH (New York); HENRY M. JACKSON (Washington); ESTES KEFAUVER (Tennessee); CHARLES A. HALLECK (Indiana); LEONARD W. HALL (New York); WALTER C. FLOESER (Missouri); WILLIAM H. STEVENSON (Wisconsin).

The first of these hearings was held on September 27 and 28, 1943. At that time testimony was given by the Honorable Jesse H. Jones, Secretary of Commerce; the Honorable James Forrestal, Under Secretary of the Navy; and by officials of the National Automobile Dealers Association.

On October 21, the Honorable Robert P. Patterson, the Under Secretary of War, expressed the viewpoint of the War Department. The following day Admiral Emory S. Land spoke on the subject in his capacity as Chairman of the United States Maritime Commission and as War Shipping Administrator.

The testimony given to the committee has been supplemented by a number of able briefs submitted by other informed persons from the ranks of industry.

As a result of this testimony, the House Committee on Small Business has concluded by unanimous vote that this subject might well be classified as the Nation's No. 1 post-war problem, and, as such, should be given immediate consideration by the Congress.

There are now pending before the Congress certain bills which, although relating to this subject, would have the net effect of postponing any affirmative action on this matter by the Congress for a period of as long as 6 months. In the opinion of this committee, the allotment of such a long period for the sole purpose of study and investigation of this subject is far too long an interval in which to keep industry, labor, and the interested Federal agencies in a state of uncertainty as to the ultimate wishes of the Congress on this vital question.

In support of this belief, the following statements are submitted:

#### I. MAGNITUDE OF THE PROBLEM

At the conclusion of the First World War, the Government found itself in the possession of surplus war materials which were estimated to have cost the Government between \$6,000,000,000 and \$7,000,000,000.

If the same ratio of surplus materials to total cost of war expenditures holds true at the expiration of the present conflict, the Government will find itself in possession of at least \$75,000,000,000 worth of plants, tools, equipment, fabricated and unfabricated materials.

The liquidation of the various surpluses after the conclusion of the First World War consumed approximately 6 years. On this basis, it may be assumed that between 10 and 15 years might easily be required to effect an orderly and equitable distribution of these goods at the conclusion of the present emergency.

It is generally conceded that the Government had no well-thought-out plan for the disposal of this merchandise at the conclusion of the last war and it is also felt in many informed circles that the haphazard methods utilized in the handling of these surpluses at that time directly contributed to the general business depression which took place in 1920 and 1921.

Surpluses of facilities or materials are expected to exist in a major way in such varied lines as airplane manufacturing, machine tools, auto trucks, textiles, food, steel, and nonferrous metals.

Comment: Immediate need for congressional action on this matter is clearly indicated by the testimony of Under Secretary of War Patterson, who stated that more than

10,000 contracts have already been canceled by the War Department, which, of necessity, automatically creates an emergency problem in respect to the disposition of surpluses left over from these contracts. Furthermore, several sales of this type of property by the War Department under the terms of Procurement Regulation No. 7 have resulted in the property in question being sold without wide publicity to dealers in scrap and junk. Testimony given to the committee was to the effect that the materials involved in these sales could have been immediately utilized by other agencies or by war contractors and should not therefore have been disposed of through scrap-dealer channels because of their intrinsic value.

#### II. NEED FOR CENTRALIZED AGENCY TO HANDLE MATTER

All witnesses testifying before this committee recommended that there should be unity of action and a uniform policy which would apply to all agencies alike in respect to the disposition of their declared surpluses.

It was generally agreed that an attempt should be made, as is now the case, to utilize surpluses within the agency itself before other actions are taken leading to disposal of same. Failing that, other agencies should be given a refusal of the property. In the absence of any takers within the Government, it was felt that sale should then be made to private industry, provided that any sale made should not be made in such a manner that existing businesses were harmfully affected in their own operations by such sale.

All witnesses recommended that one central board or person should be established through congressional action to hold, manage, and dispose of all surplus property, subject to the recommendations of qualified representatives from the private-industry group most directly affected by the particular transaction in question.

#### III. NEED FOR A CONGRESSIONAL DECLARATION OF POLICY TO GOVERN ACTIONS OF ANY AGENCY OR AGENCIES SELECTED TO HANDLE SURPLUS-PROPERTY DISPOSAL

In the opinion of this committee and the witnesses who appeared before it, it will not suffice alone for Congress to establish a central agency for this purpose. Such an agency, if created, must be given a clear-cut declaration of Government policy to guide its actions, not alone as to the disposal of assets but also as to the management of same while title still remains in the Government.

It is the considered opinion of this committee that there will be thus vested in the Government's hands, by virtue of the ownership of this vast store of surplus property, an economic force of sufficient weight so great that the handling, or mishandling, of these assets by these Government managers or selling agents may well determine the degree of economic prosperity which this Nation, and other nations, enjoy for many years to come.

For that reason, this committee feels that it is immediately incumbent upon the Congress to establish a policy governing the ownership, management, and ultimate sale of these assets which will take into full consideration the inherent rights and needs of the following groups or persons:

1. The manufacturers who normally produce the product in question.
2. The distribution firms which normally handle the sale of the product in question.
3. The returning servicemen who will seek either employment or the means for establishing their own business enterprises after the war.
4. The employees of firms now enjoying war business who may expect to be forced to seek other employment at the conclusion of the war.



5. The taxpayers who will rightfully expect their Government to realize as high a price as is possible, all other factors taken into consideration, for the products which the Government will hold as surplus at the end of the war.

The fabrication of such a formula need not wait upon the compilation of large volumes of statistical information. The question involved at this time is one of principles, not of statistics. Any agency thus created, must be given some degree of latitude of action and cannot be bound by too complex a set of procedures. It must, however, be supplied with a set of basic principles or policy rules which will afford ample protection to the five groups mentioned above.

#### SUMMARY

The House Committee on Small Business therefore respectfully urge upon the Congress the need for giving immediate consideration to the following:

1. The Congress should not pass any legislation which will have the net effect of delaying for a long interval the establishment of some central agency to handle the management and ultimate disposal of Government-owned surplus property.

2. The Congress should immediately pass adequate legislation creating such a central agency.

3. The Congress should provide the agency, thus created, with a specific declaration of policy to govern its actions which will provide the maximum degree of protection and encouragement to:

- (a) Manufacturers, now in business.
- (b) Distribution firms, now in business.
- (c) Returning servicemen.
- (d) Persons currently employed in all lines of industry.
- (e) The taxpaying group.

Comment: In the absence of studies being made by other congressional committees on this vital question, the House Committee on Small Business proposes to continue its present investigations and to report further and in greater detail to the Congress in the near future.

#### FIFTH INTERIM REPORT OF THE HOUSE SMALL BUSINESS COMMITTEE—THE SURPLUS PROPERTY PROBLEM FROM THE VIEWPOINT OF SMALL BUSINESS

Mr. PATMAN, from the Committee on Small Business, submitted the following interim report (pursuant to H. Res. 18):

The following report is submitted as a supplement to the third interim report of the House Committee on Small Business and represents the unanimous expression of all members of the committee, who are as follows: WRIGHT PATMAN, Texas, chairman; J. W. ROBINSON, Utah; EUGENE J. KEOGH, New York; HENRY M. JACKSON, Washington; ESTES KEFAUVER, Tennessee; CHARLES A. HALLECK, Indiana; LEONARD W. HALL, New York; WALTER C. FLOESER, Missouri; WILLIAM H. STEVENSON, Wisconsin.

#### INTRODUCTION

For several months various committees of the Congress, including the House Committee on Small Business, have engaged in serious study of the problems arising from the foreseeable accumulation of huge stocks of Government-owned surpluses and the need for devising an orderly program, through legislation, for their control, disposition, and sale. The third interim report of this committee, issued November 1, 1943, quoted the view of numerous authorities that this probable holding in surplus materials, plants, tools, mobile equipment, real estate, and other items would total many billions of dollars by the time the end of the present hostilities is reached.

Some of these congressional committees have concerned themselves principally with

the problems of plant and real-estate disposal. Others have devoted more thought to consumer goods. Others have boldly encompassed both of these fields and have also included such diverse items as ships, food, and machine tools in their consideration of the subject.

When we consider the multiplicity of items involved in any detailed study of this problem, when we add to this the identification of scores of different industry groups whose problems of both manufacture and distribution are often unrelated and often competitive one with the other, it is small wonder that the net evidence of this congressional study by the several committees has been a series of legislative proposals offering administrative prescriptions not all of which are compatible one with the other.

It is, therefore, quite possible that the members of these various committees viewed with mingled feelings of fear and relief the recent publication on February 15 of the vigorous report of Messrs. B. M. Baruch and John M. Hancock to the Director of War Mobilization, which covered in considerable detail this very vital subject. That report, with its many evidences of careful study, tempered by seasoned judgment, when taken in conjunction with the subsequent Executive order creating the post of Surplus Property Administrator in the Office of War Mobilization, has undoubtedly done much to help crystallize both congressional and business thought on this major question.

The House Committee on Small Business feels that the time has come for a careful review of all pending legislative proposals relating to surplus property disposal. It feels that such review should be taken not only in the light of the Baruch report and its accompanying Executive action but especially from the viewpoint of the small businessman. The committee feels that it would be delinquent in its appointed duty at this time if it did not point out that it feels that much of the proposed legislation on this subject fails to provide adequate guaranties designed to protect the small businessman and assure him proper consideration in the disposal of these surpluses.

Further, with no intended reflection on either the integrity or the ability of the one just appointed to the post of Surplus Property Administrator, the committee feels that it has not yet seen visible evidence that the Administrator has been provided with or has prepared any book of procedures designed to give adequate protection to small business. He is working under an implied mandate in the Baruch report which says, "the Surplus Administrator should sell all he can as early as he can." Much of the physical detail of selling is apparently still to be vested in some of those Federal agencies which have shown definite evidence of ineptness and disregard of small business interests in the past. The very magnitude of the problem precludes the personal supervision of all sales and their supporting statements of justification by the Administrator. Therefore, this committee feels that it is the positive duty of the Congress to agree on and pass immediately such legislation as will include full and adequate protection of small business interests in the sale of any or all Government-owned surplus property.

#### POINTS OF AGREEMENT

It is gratifying to note that not only the Baruch report but the majority of the proposed legislative measures have certain excellent points in common upon which there seem to be mutual agreement. Some of these include—

1. The establishment of a Surplus Property Policy Board, consisting of several Cabinet-level officials and qualified appointees to come from private industry.
2. The delegation of responsibility for actual surplus disposal to one central agency.

3. The advisability of appointing business advisory committees for each type of property to consult with and advise the disposal agency as to time and method of sale of the items in question.

4. The utilization of established trade channels in the disposition of these surpluses.

5. The prohibition of the sale of surpluses to speculative interests.

6. Selling in small lots in order to permit participation in purchases of small businesses as well as large ones.

7. Wide publicity on all sales, both before and after, and the granting of sufficient notice to permit all interested parties ample time in which to prepare proposals for purchase.

#### RECOMMENDATIONS

1. Each of the above seven points of agreement should be included in greater detail in any measure passed by the Congress covering the disposal of any type of Government-owned property declared surplus.

2. The Surplus Property Policy Board should be the final voice in all surplus property matters and the Administrator or General Manager should have full and adequate, but not final, authority.

3. Smaller War Plants Corporation should be given a membership on the Surplus Property Policy Board and should not be represented by or through War Production Board.

4. Title to all surpluses should be vested in the central disposal agency which should supervise and approve all sales of all surplus items. The central agency should consult with but not be bound by the advice of the agency from which the surpluses were received.

(In this connection, it is assumed that the closest working arrangements of a more than temporary nature would be established between the central agency and the respective agencies which have declared as surplus the items in which they have a common interest.)

5. The counsel and data supplied to the central agency by the business advisory committees covering each type of property, in the absence of provable information to the contrary, shall be held the sole basis for the time, place, method, manner, and amount of sales to be held by the central agency, provided that the adoption of such recommendations shall produce the maximum returns to the Government consistent with a policy of using normal trade channels in such a manner that the sales will not unduly disrupt normal trade and commerce.

6. Provision shall be made in the appointment of these business advisory committees for the seating thereon of manufacturers, wholesalers, retailers, or other established distribution firms. No such committee shall be appointed which does not include as members at least two small businessmen who are representative of each of the above classes.

7. Provision shall be made for the lease or sale on credit of these surpluses to thus expand the opportunities of small business.

8. Provision shall be made for the lease or sale on credit of these surpluses to returning servicemen who can present evidence of capability to utilize such surpluses in the establishment or maintenance of their own businesses in such a manner that will not unduly disrupt normal trade and commerce.

9. Provision shall be made for the temporary enjoining of surplus sales through appeal to the Surplus Property Policy Board in those cases where it may be held that the holding of such sales would prove detrimental to the best interests of any firm in the industry in question or where large interests were apparently about to be given undue preference over small firms through the holding of such sales.

10. The patents and other properties now held by the Alien Property Custodian for which there is no obvious military use shall be declared surplus and transferred as to title



to the central disposal agency and treated in the same manner as other surpluses.

11. Studies should be made before sale of the Government-owned plants as to possibilities of subdividing the very largest units in order to make them available for acquisition by small business. An easement to the patent rights covering the products manufactured in any Government-owned plant during wartime shall accompany the sale of the plant or any parcel thereof when the plant in its manufacturing facilities have been established for some specialized manufacturing use.

12. Due consideration should be given by the Congress to provisions already contained in H. R. 3873, a copy of which is attached as exhibit A in this report.

(It should be noted that this committee, which acted as sponsor for this measure, no longer urges the inclusion of section 205 (c) (3) in any final measure to be approved by the Congress in this connection.)

#### CONCLUSION

This committee recommends the careful reading of the Baruch-Hancock report, War and Post-war Adjustment Policies, by every person concerned with the vital question of Government-owned surpluses. That report defines small business as "the broad backbone of enterprises, scattered throughout the country, which rely largely on the initiative and resourcefulness of their individual proprietors." With such a definition, this committee is in full agreement. The report also makes several other recommendations designed to further the cause of small business which are worthy of serious consideration by all who have an interest in the future of this important segment of our economic structure.

Notwithstanding this committee's admiration for the Baruch-Hancock report and its obvious clarity, it feels that it cannot and should not be taken as the final word on this subject.

Experience in the past shows us that it has never been sufficient to confine our interest in the problems of the small and weaker elements in our society to general statements of acquaintance and affection. To protect and nourish these elements, we must at times take positive action and implement our principles by a statement of specific policies and procedures. To this end, we commend this vital problem to the immediate and diligent attention of the Congress for handling in a matter consistent with the foregoing recommendations.

#### EXHIBIT A

##### H. R. 3873

A bill to amend the Reconstruction Finance Corporation Act by adding a new title thereto relating to the sale or other disposition of surplus property of the United States

*Be it enacted, etc.,* That the Reconstruction Finance Corporation Act, as amended, is amended by inserting "Title I", immediately before the first section thereof, by striking out the word "act" wherever it appears therein as a reference to such act (except in the short title of such act), and inserting in lieu thereof the word "title", and by adding at the end of such act, as amended, the following new title:

#### "TITLE II

##### "SHORT TITLE

"Sec. 201. This title may be cited as the 'Surplus Property Act of 1943'.

##### "DEFINITIONS

"Sec. 202. As used in this title—

"(1) The term 'property' means any supplies, materials, or equipment, including real estate and improvements thereon, or tangible property owned by the United States, or by any corporation owned or controlled by the United States, which is under the jurisdic-

tion or control of any governmental agency.

"(2) The term 'surplus property' means any property which has been declared to the central agency handling surplus property to be surplus to the function, activity, or project in connection with which it was acquired or accrued.

"(3) The term 'Government agency' means any executive department of the Government or any administrative units or subdivision thereof; any independent agency in the executive branch of the Government, and any corporation owned or controlled by the United States.

##### "SURPLUS PROPERTY POLICY BOARD

"Sec. 203. (a) There is hereby established a Surplus Property Board (referred to in this title as 'the Board'), which shall consist of the chairman of the board of directors of the Defense Supplies Corporation who shall be the Chairman thereof, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and three individuals to be appointed by the President, by and with the advice and consent of the Senate. The three individuals so appointed shall be businessmen who have had at least 5 years' experience in the business of the retail sale and distribution of merchandise.

"(b) The Board (1) shall determine and prescribe the methods to be used by governmental agencies in making and maintaining inventories of property, and (2) shall determine the surplus property under the jurisdiction of the various governmental agencies that should be sold or leased, and shall inform the Reconstruction Finance Corporation as to every such determination.

##### "DUTIES OF GOVERNMENTAL AGENCIES

"Sec. 204. Every governmental agency (1) shall make and maintain accurate uniform inventories, in accordance with methods determined and prescribed by the Board, of property under its jurisdiction; (2) shall cooperate with the Board for purposes of determining which of the property under its jurisdiction is surplus property; and (3) shall cooperate with the Reconstruction Finance Corporation in connection with the sale or lease of surplus property pursuant to the provisions of this title.

##### "DUTIES OF THE RECONSTRUCTION FINANCE CORPORATION

"Sec. 205. (a) Surplus property which the Board has determined should be sold or leased shall be sold or leased by the Reconstruction Finance Corporation in a manner consistent with the provisions of this section.

"(b) The Corporation shall appoint an advisory committee for each class of property which is to be sold or leased. The members of such advisory committee shall be appointed from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property, or similar property. It shall be the duty of the Corporation, in selling or leasing surplus property, to consult with the appropriate advisory committee or committees so appointed as to the price, time, method, and manner of disposing of such property.

"(c) In the sale or lease of surplus property pursuant to this title, the Reconstruction Finance Corporation shall, so far as practicable, be governed by the following considerations:

"(1) Distribution of such property should be through established trade channels.

"(2) The acquisition of large quantities of such property for speculative purposes should not be permitted.

"(3) The prices at which any particular property or class of property is sold or leased should be uniform.

"(4) Such property should be sold or leased at prices low enough to facilitate the disposition thereof, but high enough to enable

the United States to secure a fair return therefor.

"(5) The sale or lease of such property should be at a rate which will not unduly disrupt trade and commerce.

"(6) The sale or lease of such property should take into consideration the need for facilitating and encouraging the establishment in the various communities in the several States by members of the armed forces of the United States upon their discharge or release from active duty, as well as by others, of small business enterprises and with a view to strengthening small business enterprises.

"(d) The sale or lease of surplus property shall be in accordance with such regulations as the Board shall prescribe regarding the times, places, quantities, and terms and conditions of the proposed disposition of such property; and such regulations shall require advertising for competitive bids except in such cases and with respect to such property as the Board determines that sales or leases by competitive bids would be contrary to the public interest.

##### "EXCLUSIVE METHOD OF DISPOSING OF SURPLUS PROPERTY

"Sec. 206. No surplus property shall be sold, leased, or disposed of otherwise than in accordance with the provisions of this title, except that where provisions of law are in force specifically authorizing the sale or other disposition of any particular property or class of property, such property or class of property may be sold or otherwise disposed of in accordance with such provisions of law if the Board approves such action as being consistent with the public interest.

##### "TRANSFERS BETWEEN GOVERNMENTAL AGENCIES

"Sec. 207. Notwithstanding any other provisions of this title, governmental agencies shall make the fullest practicable utilization of surplus property in order to avoid waste and unnecessary expense, and for such purposes surplus property may be transferred from one governmental agency to another, in lieu of its sale or lease pursuant to the provisions of this title. Such transfers shall be made subject to such regulations as the Board shall prescribe.

##### "DISPOSITION OF NONSALABLE PROPERTY

"Sec. 208. Notwithstanding any other provision of this title, surplus property which is not salable, or which for any other reason it is impracticable to transfer, sell, or lease as provided in this title, shall be repaired, rehabilitated, donated, destroyed, or disposed of in accordance with such regulations as the Board shall prescribe.

##### "PROCEEDS FROM SALE OR LEASE OF SURPLUS PROPERTY

"Sec. 209. All proceeds from the sale or lease of surplus property under this title shall be deposited and covered into the Treasury as miscellaneous receipts.

##### "MISCELLANEOUS

"Sec. 210. (a) The Board is authorized to appoint and fix the compensation, subject to the civil-service laws and the Classification Act of 1923, as amended, of such employees as may be necessary for the performance by the Board of its functions under this title.

"(b) Each member of the Board appointed thereto by the President, by and with the advice and consent of the Senate, and each member of any advisory committee appointed by the Reconstruction Finance Corporation under this title, shall be paid compensation at the rate of \$\_\_\_\_\_ per diem when actually engaged in the performance of his duties under this title, and shall be allowed necessary traveling expenses and subsistence expenses (not in excess of \$\_\_\_\_\_ per day) incurred when absent from his place of residence in connection with the performance of such duties."



NATIONAL FARMERS UNION,  
Washington D. C., August 16, 1944.

Enactment of the surplus property disposal bill now before the House, together with the George bill already passed by the Senate, will "make it certain that the farmers and wage earners of this country will be put through the economic wringer of concentrated economic power and monopoly in the transition and post-war periods," James G. Patton, president of the National Farmers Union, said in a letter to Congressman WRIGHT PATMAN, of Texas, calling upon PATMAN to lead a floor fight for amendments to protect the interests of working farmers, small business, wage earners, and consumers.

The text of Patton's letter follows:

AUGUST 15, 1944.

The Honorable WRIGHT PATMAN,  
The House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN PATMAN: If the House passes the surplus disposal bill (H. R. 5125) in anything like the form reported from committee, we will have taken another long step toward tighter monopolies of land and industry, restriction of production, chronic mass unemployment, wage cuts, and food surpluses all amounting to a post-war depression wider, deeper, and more dangerous to our democracy than any peacetime crisis in our history.

It is tragic that the single problem of conversion from abundant production for war to abundant production for peace has been broken into parts which are being presented piece meal to the Congress and to the public for consideration and decision.

We have already assured business tax refunds to up to \$30,000,000,000 to offset post-war losses.

We have rushed through a Contract Termination Act to give quick and generous relief to billionaire war contractors.

We have given farmers the somewhat uncertain assurance of support prices for 2 years after the war to the extent funds are available.

Last week the Senate told labor that it could expect no more security during the transition and post-war periods than is provided by 48 State unemployment compensation laws, all woefully inadequate as to coverage, duration, and amount of benefits, which average \$14 a week.

By adopting the George bill instead of the Murray-Kilgore bill, we have insured a sharp decline in the market for farm products and manufactured goods, beginning a day or so after the shooting war ends in Europe or the Pacific, and cancellation of war contracts begins. The New York Times, which applauds the George bill, is shrewd and farsighted enough to warn Congress of the need for early establishment of a big Federal-State relief program to take care of those who fall straight through the George bill, or who exhaust their inadequate State benefits during the transition period, which may take from 6 months to 2 years.

Now, as the House begins consideration of this surplus property disposal bill, it is proposed to complete a demobilization and reconversion program when we need, instead, a mobilization and conversion program whereby post-war civilian production can take up all the slack left by cuts in war production and, in addition, insure production and employment for some 10,000,000 men and women returning from the armed services.

The bill H. R. 5125 puts power in one man to dispose of, or to freeze, war plants, facilities, and surplus war goods variously estimated at from \$60,000,000,000 to \$100,000,000,000, without consultation with, or participation by, democratic committees, councils, or boards, such as have been proposed in other bills, notably the Stewart-Taft-Murray

bill (S. 2065), now being perfected in the Senate Military Affairs Committee.

He may delegate authority almost indefinitely, without proper safeguards of the public interest, without public records, in disposal of surplus property.

The bill is full of loopholes for speculators and war contractors seeking to make the same sort of profits going out of the war economy they made on the way in.

In the light of the present Surplus War Property Administrator's performance in writing regulations for the disposal of farm lands in such fashion as to match, point for point, the proposals of the National Association of Real Estate Boards, we urge the insertion of every possible safeguard, including a joint congressional committee to exercise current surveillance over the operation, as well as advisory committees, including industry, labor, farm, and consumers' representatives for each phase of the disposal program. We also urge provision of quarterly reports to the President, the Congress, and the public. Whoever does this gigantic job should operate in a fishbowl wired for sound and with a thousand-watt light behind it.

Further the present bill fails to provide for full production. (The Stewart-Taft-Murray bill makes purchase of Government war plants conditional on substantial production for 2 years.)

It permits plants, facilities, and goods to be withheld from the market indefinitely, or to be disposed of to speculators or war contractors in such manner as to contribute to monopoly, while consistently failing to give the Attorney General power to protect business, the public, labor, and farmers against monopoly, whether fostered by the withholding or the sale of plants and goods.

In its present form this surplus property disposal bill will, together with the George bill, in our opinion, make it certain that the farmers and wage earners of this country will be put through the economic wringer of concentrated economic power and monopoly during the transition and post-war periods.

We understand that you propose to offer certain amendments to safeguard small business, and we urge you and your progressive colleagues in both parties to fight for certain other amendments vital to farmers and to the public welfare.

#### LAND

In the disposition of land owned by the Government, we believe that all of the land suitable to agricultural use should be made an integral part of the tenant purchase program of the Farm Security Administration, sold only in economic units of long-term credit at low rates of interest.

Possession by the Government of several million acres of good farm land affords an opportunity that may not occur again for many years, perhaps generations, to give so easily such a great impetus to the promotion of the family-type farm.

We believe that former owners and veterans should be given preference, where they will use the land for family living. We believe that this program should be wholly governmental, handled through Government agents and Government appraisers. Finally, we believe that no farmer should be settled on this land with a debt burden that is bound to become intolerable if the long-time earning power of the land is considered. In other words, farmers settling on these tracts should be required to assume only so much mortgage debt as experts find the farm can reasonably expect to pay off on a 40-year loan. Sale price thus would be determined by the capacity of the farm, the ability and experience of the farmer, the Nation's interest in maintenance both of the farmer and his family on the soil itself, both priceless national assets.

#### COOPERATIVES AND SMALL BUSINESS

The National Farmers Union calls your attention to the statement by Secretary of Agriculture Wickard to the House Committee on Executive Expenditures last week regarding the desirability of giving preferential rights to cooperatives in the disposition of surplus property of whatever kind. We endorse wholly his statement. There is a long line of precedent in actions by previous Congresses to this end, regardless of what party happened to be dominant in Congress.

We feel that the provisions of the Stewart-Murray-Taft bill (S. 2065), relative to small business, are wholly desirable and wish especially to endorse the provision giving the Smaller War Plants Corporation the power to purchase surplus property for resale to small businesses. Those provisions appear to us simple, easily workable, just, and in the best American tradition of encouraging the small independent enterpriser whether on the farm or in business.

#### PLANTS

The National Farmers Union believes that unless particular and explicit safeguards against the furtherance of monopoly in the sale or lease of plants are set up, the magnetic attraction of great concentrations of economic power will result ultimately in the pulling of much of this great public investment toward these great economic combinations.

We, therefore, urge most strongly that the proposed Surplus War Property Administrator be directed not only to survey Government-owned plants by categories or product for use, but that he also be directed to determine what plants (a) are suitable for private operation under lease or sale in a peacetime economy, (b) what plants are essential to national defense, either in operation or if kept in stand-by condition, (c) what plants are suitable for operation by the Government as yardstick plants.

The intent of this recommendation of the National Farmers Union is plain enough. It stems from the salutary lessons that the Tennessee Valley Authority has furnished us. Among the greatest of these lessons is that some areas belong to private enterprise, some to Government, and that the best interest of all, including private enterprise, is served by defining those areas and working in them. The T. V. A. has shown us, too, that one of the best ways to keep tabs on those areas and to keep both Government and private enterprise healthy and functioning at top speed is by yardstick operations. What is true of power and of fertilizer production is also true of other operations. It is our belief that the Nation will miss a golden opportunity unless such of the plants as are appropriate for the purpose be retained to serve as such yardsticks.

#### EQUIPMENT AND DURABLE GOODS

Here the National Farmers Union believes that the guiding principle should be one of selectivity, with discretion vested in the Administrator, as in some of the instances recited as desirable in dealing with other disposal matters, but under plain directions from Congress as to the policies to be pursued. We feel that such rules as are contained in sections 12, 13, and 14 of the Stewart-Murray-Taft bill are admirable, particularly those governing disposal of surplus school and medical materials through the Office of Education and the Public Health Service. These are examples that we believe should be followed in respect to other categories of goods and equipment.

Above, all, we believe there should be no wholesale scrapping, destruction, freezing, or locking up of material.

Some of the directions that Congress should give to the Administrator are as follows:



(a) Such surplus material as tractors, road scrapers, bulldozers, or other equipment suitable for use in conservation of the soil shall be turned over to the Soil Conservation Service for use (1) directly by S. C. S. itself, (2) by soil conservation districts pursuant to arrangements between S. C. S. and the districts, (3) by cooperatives whether directly affiliated with districts or not, (4) by State agencies other than districts directly concerned with soil conservation.

(b) In the field of rural electrification, a tremendous opportunity exists for an extension of lines and service to thousands of farm families now without electricity. We suggest that all surplus military equipment of this character be turned over to the Rural Electrification Administration for disposal to the cooperatives now in existence or to assist in the formation of new ones.

(c) As to agricultural production equipment, the primary concern should be to furnish the small farmers of this country with the equipment they need. We suggest that this equipment be turned over to the Farm Security Administration for sale to small facilities cooperatives consisting of six to a dozen farmers, of the kind with which Farm Security has had such success in the last few years.

(d) In the case of nonagricultural production equipment, including machine tools, we believe that no materials should be held off the market unless the affected industry can, in a full and fair hearing, prove publicly that both its interest and the public interest would be adversely and gravely affected. Such a hearing should be before a board, preferably such as that proposed in the Kilgore-Murray bill, on which the public, business, labor, and agriculture are equally represented.

#### STOCKS OF FOOD AND FIBER

It is our belief that any legislation providing for the freezing for any period of Government-held stocks of agricultural commodities, whether processed or raw, would be a serious mistake. Surely the precedent of the Federal Farm Board under President Hoover in attempting such freezing will keep us from repeating that mistake.

Such legislation never achieves its objective, for the stocks held by the Government continue to hang over the market and to exert a depressing influence on prices and production. The mere fact that prohibitory legislation is on the statute books is no protection, for farmers and the food trades alike continue to live in fear of new legislation and of the very deflationary trend that the freezing seeks to checkmate.

Instead, we believe that the legislation should provide for the handling of any such stocks as a part of the ever-normal granary, under the jurisdiction of the Department of Agriculture and War Food Administration, and handled as a part of an over-all agricultural program of adjustment, distribution, and conservation.

#### EXPORTS

It is our conviction that the possession of the enormous surpluses of military supplies now in prospect can be a very large factor in the promotion of peaceful commerce and amity among nations at the close of the war. It is to the interest of the United States that the standard of living and economic freedom of all other countries be promoted. We believe, therefore, that a major aim in the disposal of surplus property should be the utilization of some of that property to promote the economic improvement of other countries. This should be accomplished through appropriate international machinery and in such a way as to foster, not impede, the free flow of trade between countries. By an honest joint effort with the other nations of the world, in particular our great allies, Great Britain, Russia, and China, it should be pos-

sible to put to such use much of the surplus war property that will have accumulated.

These are the provisions that we should like to see in the legislation finally enacted by Congress.

We hope you will offer such of these as you have not already proposed at the conclusion of the present debate on the surplus property disposal bill, and should appreciate it very much if you could insert this letter in the CONGRESSIONAL RECORD at an appropriate point so that other Members of the House may be informed of our views.

Sincerely,

JAMES G. PATTON,  
President, National Farmers' Union.

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

Mr. GOSSETT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, any person who has given any study at all to the problem which is sought to be solved by this bill realizes what a complex and large problem it is and how difficult it is to solve by any legislation which we could draft.

I may say at the outset that when I was first acquainted with the bill that is presented to us, it struck me as working an entirely unjustifiable delegation of congressional power and a concentration of a tremendous amount of power in one person; but then when I further analyzed the legislation and tried to work out some substitute for it, tried to find some efficient way of handling this problem other than the one now suggested, I came to the conclusion that there is very little that we can do about it; that the complexity of the problem makes specific and detailed legislation impossible. I think it is necessary for us to take the chance that there is going to be some inefficiency and waste in this program, but that nevertheless we are going to have to be bold and forthright in legislating, and to repose a great amount of discretion in the Administrator because any restrictions that we as a Congress try to impose upon the Administrator might be effective in the disposition of certain types of property but might hamper in a very serious way the disposition of other types of property.

There are several small suggestions I should like to make, however, that I think will, if I may say so, constitute an improvement to the present provisions. The first thing about which I am concerned is something I spoke about yesterday in querying one of the gentlemen who was speaking, and that is the danger of dumping of property upon the market, either by the Government itself or by some individual or firm which may purchase the property from the Government, and the consequent dislocation of industry by selling the property at a price which could not be met by manufacturers or processors of similar products.

I know the gentleman from Texas [Mr. GOSSETT] and the gentleman from Mississippi [Mr. WHITTINGTON] have assured me that the bill in several places provides that such action would be contrary to the expressed intent of the bill,

but I still think we could be more specific in our provisions. We could make a more specific declaration of policy in a manner which would not hamper the working out of the program and would not harm the bill.

I believe after the declaration of policies in section 11 we might insert a subsection (k) as another declaration of policy, which would read to discourage and prevent the dumping of property upon the market at a price lower than could be met by the manufacturers, processors, or dealers in similar property. Since that is one of our purposes, I see no reason why we could not be explicit in stating so, and I see no reason why being explicit should in any way hamper us in the administration of this act.

There is one more point that was suggested by the gentleman from Maine, and that is the present disposition of our war plants. There is an excellent little book that came to my attention recently, written by Dr. Kaplan for the Committee for Economic Development, entitled "The Liquidation of War Production." I know many members of the committee have read it and I think it would be helpful if all the Members of the House would read it. He has this to say about the sale of war plants immediately upon the termination of the war:

It is definitely undesirable, from the standpoint of public welfare or political expediency, to make sacrifice sales which would give an unearned windfall to firms that happen to be in the position to pick up bargains far below actual worth. Big business will get the brunt of the political repercussions if it acquires Government property at prices which may prove to have been very low in the light of later developments. At the same time, plant and equipment of potential future value will often be unsalable except at sacrifice prices, especially if offered immediately after the close of the war. The final decision on the terms of sale of many facilities will have to be postponed; accordingly, we must turn to leasing as a necessary alternative if the plants are to be constructively utilized.

That quotation appears on page 107 of his book.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. PATMAN. Insofar as his reference to the steel plants in that book is concerned, he is definitely in favor of the big steel interests, and it appears to me that he is trying to defend the big steel interests and is against anything that will give them competition. I read that part of his book very carefully and was definitely impressed that way.

Mr. WRIGHT. The gentleman may be correct, but the author does state that it would be dangerous to insist upon selling these plants at the present time, because we would get only a depressed price. Under the bill, as I read it, I know there is no compulsion that they must be sold immediately, but in the report which is filed by the committee there is a recommendation that these plants be disposed of at once. I am just wondering whether that recommendation in



the report might not be a disservice to the country in that it might persuade the Administrator to dispose of the plants prematurely.

I personally would like to see them go into production in private hands and private ownership as quickly as is possible and expedient. But the amount of money that is involved is so great I am very much afraid if we attempt to force the sale of them right away we may be sacrificing them at bargain prices. We may be, ourselves, subject to the criticism of being derelict in our duty and we may cause criticism to be heaped upon the very companies who might take advantage of the bargain prices. There are some 75 percent of the contracts at the present time in the Defense Plants Corporation, as I understand, which provide for an option of purchase on the part of the steel company, so it would only be those cases where there is not any option of purchase or those in which the option was not taken up, which would be directly concerned.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield in that connection?

Mr. WRIGHT. I would be very glad to yield to the gentleman.

Mr. WHITTINGTON. I think it fair to say in respect to options that the hearings disclose there are very few plants where there are options provided. The Bethlehem Co. has an option. They have exercised that option. The hearings disclose there are very few cases where there are options. There will probably be few options to start with, and thus far indications are that practically none of those options will be exercised. Moreover, the gentleman will keep in mind with respect to steel plants that until they are declared surplus—and that means until after hostilities have ceased—there are not going to be any surplus steel plants, and they would not be available for disposition until after the war is over.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WRIGHT. I do not want the gentleman from Mississippi to understand that it is my idea of the bill that they cannot dispose of these steel plants later or at the present time or that the plants could not be leased to private industry. They can dispose of them when they see fit, but there is a recommendation in the report that they be disposed of promptly.

Mr. WHITTINGTON. That is, following the cessation of hostilities.

Mr. WRIGHT. Yes. Where there is an option, when it becomes wise or expedient to reduce the amount of the option price or negotiate a lower price, I am not opposed as long as it is a fair price in the light of changed circumstances, but I just want to be sure we are handling this problem in the wise and prudent manner in which we are expected to handle it in consideration of the vast amount of money involved.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will be glad to yield to the gentleman.

Mr. CALVIN D. JOHNSON. I would just like to interpose, in considering the prices of some of those plants that have been built for the steel companies, I was a superintendent of construction on a large steel plant prior to the time I came to Congress. I know that the construction costs at that time were so much out of reason that for the company to consider the payment of the price based on actual costs of construction of that plant would be entirely out of reason. They could not do it. Forms which ordinarily would cost 20 cents per foot to build, ran us as high as 70 or 80 cents. It was due to the rush and the overtime and the drive to get the job completed. For any steel company to try to pay the cost of production of a plant would be entirely out of the question. We will have to take at least a 50-percent loss on many of these plants, I feel.

Mr. WRIGHT. I may say in reply to the gentleman, I want to be fair, as I know the gentleman wants to be fair, to the steel companies. What we are anxious to do is to get the steel companies back into the production of peacetime goods, so that they can give jobs to our men. I agree with the gentleman heartily. I am willing for the Government to take a loss if it becomes necessary, if circumstances change. There is one more circumstance which the gentleman did not point out, which would depress the resale price, and that is that the machinery in some of these plants would be more efficient for the production of wartime goods than they would be in the production of peacetime goods, and consequently the Government would not realize its original investment.

(By unanimous consent, Mr. WRIGHT received permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I shall not detain the Committee longer than is necessary to present for the record, with the hope that it may attract the attention of the membership of the House before we begin reading this bill on tomorrow, an amendment which I propose to offer, with some brief discussion as to the merits of the amendment, in connection with which I intend to insert in the Record under permission heretofore granted in the House, certain documents or parts of documents relating to the general subject matter. I intend to offer, on page 32, after line 6, the following language:

Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase, or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, may be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to the public schools and

educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budgets are planned to support normal procurement operations, according to past experience, in the regular market.

We have here, Mr. Chairman, one of the most important bills which the House of Representatives has considered during the Seventy-eighth Congress, a bill which undertakes, according to estimates of some gentlemen who have addressed the committee, to deal with Government property aggregating in value \$112,000,000,000. I wish to compliment the committee on the exceedingly able and painstaking manner in which it has dealt with this important subject matter. To believe as I believe, that the bill might be perfected in some particulars without detracting from its objectives, is not, of course, to express a criticism of the work of the committee. I believe that the bill in some of its features should be perfected. I think that in the attempted conservation of this tremendous amount of Government property and its attempted devotion to the best interests of the American people, no greater degree of discretion than is absolutely necessary should be vested in the Administrator. I feel that it is the function of the Congress to determine, insofar as it may be able to do so, in the enactment of this legislation, the method of disposition of that property. I believe that the outstanding objective should be the utilization of the property, whether by sale or by other method of distribution, in such a way as to bring about the greatest benefit to the people of the United States. I am unable to agree with the members of the committee who have voiced the opinion that none of this property should be given away. They are apparently proceeding on the idea that the only way in which benefits from its disposition may result to the people of the United States is by the outright sale of the property and the placing of the proceeds in the Treasury. I conceive it to be true that with relation to a very great portion of this property the American people will receive greater benefits from it if it is donated to certain public or quasipublic institutions of the country for utilization in behalf of the people, and perhaps this is true if the donation should be to private agencies performing work of general public interest. I believe there is very grave danger that despite the most careful administration of the law which we shall enact, there will be abuse of discretion, and there will be wastage in the handling of this tremendous amount of property. I think that we will have speculators and profiteers who, despite the most careful administration, will receive undue profits from the handling of many of the items of property which will be disposed of under the terms of this bill. To avoid insofar as possible this contingency, Congress should undertake to direct into proper channels the administrative discretion.

I think, therefore, there should be vested in the Administrator, discretion as to the disposition of property by outright



gift, particularly when that gift is made to educational or other public institutions in the several States, rather than by sale, when he is justified, under the circumstances of cases considered by him, in reaching the conclusion that the people of the country will receive more benefit to themselves from such disposition of the property than by having the property sold outright and such sums as may be received from it covered into the Treasury of the United States.

I have proposed in this amendment, determination by the Administrator, in his discretion, as to such portions of this property as may be best donated to the educational institutions of the several States, through the Office of Education, the allocation to be made by the Office of Education upon the basis of need, and upon the further basis of the replacement of equipment and machinery which has been worn out in our vocational schools in the programs of the last several years in carrying on war and training programs for the benefit of the Government in the prosecution of its war effort. I can see no valid ground for criticism, in the donation of those types of property, to schools which have permitted their own property to become worn out or to deteriorate in character through their endeavor to facilitate the national war effort, or where such assistance is justified upon the basis of need.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. REED of New York. Would the fact that the equipment has been worn out be the test of the need? How would you determine the need?

Mr. TARVER. According to the language of the amendment which I have read and which I intend to propose, there are two bases upon which the allocation of such equipment or property might be made. The first is the basis of need, "represented by property requirement in excess of normal ability to purchase."

The second basis is "or which may be needed to replace equipment worn out or deteriorated because of use in war training programs."

So that either upon the basis of need, as outlined in the language of the amendment, or as a matter of replacement of machinery or equipment worn out or deteriorated in the prosecution of one of the war training programs, the allocation of such property may be made first by the Administrator to the Office of Education, and then allocated as between the States, under the jurisdiction of the Office of Education. There are other uses to which I think the Congress should specifically provide for the allocation of some items of this tremendous amount of property. I understand that other amendments will be proposed, some of which at least, I intend to support, which will undertake to allocate the property that can be utilized in our soil-conservation districts to the uses of those districts, and to make certain other allocations in the general public interest.

Mr. REED of New York. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I yield.

Mr. REED of New York. I feel some interest in the matter of recreational equipment, whether it is gymnasium equipment or what not. Many of those things have been sent to the Army that will probably be of no use to the Army when this war is over, and would be of great value to the schools so that I hope whatever definition goes into the bill will cover those materials.

Mr. TARVER. I join in the gentleman's hope, and if the language of the amendment which I have proposed is not sufficiently broad, in his judgment, to cover the allocation of property of the type in which he is interested, I certainly should be glad for the gentleman to offer language amendatory to the amendment. I am not wedded to the verbiage of this amendment. I am earnestly hopeful that some amendatory language of the general type which I have proposed may be inserted in the bill.

Mr. REED of New York. I was not criticizing the gentleman's amendment at all.

Mr. TARVER. I understand that.

Mr. REED of New York. I was just hoping that we can work out a formula so that the schools will get the benefit of such things as would be advantageous to them from the surplus property.

Mr. TARVER. That is my objective also, I may say. I shall be glad to cooperate with the gentleman or any other Members of the House who are interested in trying to bring about such results.

As I said a few moments ago, there are other ways in which I think Congress should undertake to make specific direction with regard to the allocation of these various types of property. I shall not undertake to discuss them now. I intend to offer no amendments, myself, dealing with them, but I do intend to support amendments which will be offered by other members of the Committee of the Whole.

According to some of the estimates which have been made, we have spent some three hundred or four hundred billion dollars in war efforts. We may have spent \$500,000,000,000 before the war is over. Surely, in view of that tremendous expenditure for war, it is not unreasonable to ask that some few millions dollars' worth of equipment which might be utilized by the schools and educational institutions of the country may be diverted to their uses without pay.

Some gentlemen on the committee seem to have a horror of the idea of donating any of this property, even to a public school or an educational institution; yet, when we passed the Labor-Federal Security Agency appropriation bill for the fiscal year 1945, in the latter part of June of the present year, we had incorporated therein a provision providing for the absolute donation of similar property owned by the National Youth Administration, which had theretofore been loaned to the schools. There was not a dissenting voice raised in this House so far as I recall, against that proposal when it was submitted to the House. It seems to me to be rather late for gentlemen to become agitated about the possibility of donating some of this machinery and equipment, for which the Government will not have any use after

the war, to the schools and educational institutions of the country. I believe that the Congress, by the enactment of the Labor-Federal Security Act has set a precedent. It has indicated congressional will with reference to the disposition of such materials when they are owned by the Government. I hope the committee will follow that precedent in undertaking to pass upon this subject matter in connection with the pending bill.

In addition to the machinery and equipment, the language of the amendment which I shall propose covers also real property. I understand that the verbiage "surplus property," as set out in the amendment covers real property as well as personal property. There are some \$41,000,000 worth of school buildings in this country which have been built under the provisions of the Lanham Act, the title to which is absolutely and entirely in the Federal Government. I intend to insert in the record in connection with my remarks a list of those school projects and the points of their location in the several States of the United States and the amount of money which is invested in each of those projects. Some of them it will not be possible to integrate into the local school systems. There are some, however, according to the information I have from the Federal Works Agency, that may well be integrated into the local school systems and where those school systems are in very great need of the facilities which they provide. It seems to me that under those circumstances it would be foolish for Congress to provide for the dismantling and sale as junk, or for sale as they stand for any commercial purpose for which they might be adaptable, of those school buildings which certainly have been needed during the war for educational purposes, and for which there will be a very great need for similar purposes in many of the localities where they are situated, after peace is declared.

I do not happen to have a single one of those school buildings in my district, but just as a matter of public policy I think that Congress should at least vest the Administrator with discretion under which he could, in cases where he thinks the donation is justified, donate those school buildings to the educational authorities of the districts where they are located.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has expired.

Mr. MANASCO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. I regret that it is not possible in the brief time I am able to address the Committee to enter into a full discussion of this matter, but I wish to direct the attention of the Committee to the latter part of the hearings on the bill which includes the statement made by the National Educational Association with reference to this particular subject matter.

I shall insert in the RECORD in connection with my remarks some excerpts from that statement and also some statements from the Office of Education with regard to this problem. It is one I hope may



have the careful study of all members of the Committee of the Whole prior to the consideration of this matter tomorrow under the 5-minute rule.

I trust that something may be done to utilize at least a reasonable portion of this property for the benefit of public schools and educational institutions of the United States.

I insert by permission granted in the House the following statements:

**DISPOSAL OF GOVERNMENT SURPLUS PROPERTIES AND MATERIALS IN RELATION TO PUBLIC EDUCATION**

(Statement submitted to the House Committee on Expenditures in the Executive Departments by R. B. Marston, director, legislative and Federal relations division, National Education Association, August 9, 1944)

**PROPOSAL**

In the disposal of war surplus properties and materials appropriate for educational use the National Education Association requests favorable consideration of the proposal that such properties and materials be transferred without cost to tax-supported schools, colleges, and universities. Like consideration is requested, in the event such disposal cannot be extended to privately supported and privately controlled education, for the proposition that educational institutions in this category be authorized to purchase surplus materials at nominal costs.

**QUANTITY ASPECTS OF SURPLUSES**

The proposition that surpluses having educational use should be transferred without cost is based in large part upon the belief that in many kinds of materials the quantity will be of such magnitude that it cannot all be disposed of through sales without possible grave injury to our economy, resulting in cut-backs in production and consequent reductions in employment.

It is particularly these surpluses beyond sales to which the proposal of the National Education Association is intended to apply. To this there is one exception; that is, surpluses that could appropriately be applied to the replacement of materials and supplies which have depreciated in a marked degree, or been entirely consumed, by the war effort of our schools, colleges, and universities.

The magnitude of expected surpluses, while not subject to exact definition as far as information available to the National Education Association is concerned, is estimated to range somewhere between \$50,000,000,000 and \$112,000,000,000 dollars. This is in pronounced contrast with surpluses that existed at the close of World War No. 1. On November 12, 1918, the estimated value of surpluses was reported as \$6,000,000,000, up to that time the largest surplus stock pile ever accumulated in the history of the world. This war is on a vaster scale. Its demands in terms of materials and supplies are without parallel.

**NATURE OF EDUCATIONAL SURPLUSES**

Many of the surplus items will have their most direct use in the field of education.

Among these are school desks, folding chairs, blackboards, paper, books of many kinds—textbooks and library books—chemicals usually employed in the chemistry laboratories of high schools and colleges, experimental equipment for physics laboratories, visual aids such as projectors and many films that are of educational value, duplicating machines, first-aid items such as bandages and antiseptics, shop equipment, such as lathes, saws, and the like, with quantities of supplies employed in teaching welding, the metal trades, electro-dynamics, aerodynamics, automobile mechanics, radio, food processing, and so forth. It is likewise proper to note that in many phases of the

educational program of the armed services, transportation equipment has been acquired and employed, much of which would be equally useful in the operation of the public schools of the Nation.

The foregoing are examples of surplus equipment and supplies which have been acquired in large quantities by the armed services for educational purposes. Similar items, not acquired by the armed services for immediate instructional service, but employed under actual combat conditions, would have equally direct and important applications in the on-going educational program of the Nation's schools.

**PYRAMIDING OF SCHOOL NEEDS**

Meanwhile the war period has witnessed one of the most rapid accumulations of school needs in the history of our country.

In the first place, the effort made by the schools in training 9,000,000 workers for war jobs has been costly to existing school plants and their equipment. In many instances schedules have been operated on a 2-, 3-, and even 4-shift basis. Around-the-clock programs have not been uncommon particularly in school shops. Some estimates that have been made in the case of round-the-clock programs indicate that the wear and tear in specific instances on plant and equipment was multiplied from 4 to 10 times of normal usage. This has resulted in a rate of deterioration without precedent in the history of public education. It is also true that school supplies on hand at the beginning of the war period have in a great many cases been depleted in support of national service.

In the second place, the system of priorities necessarily embodied in the war effort has prevented board of education and the governing bodies of colleges and universities from making normal replacements from year to year. The school-bus fleet of the Nation is fast approaching the end of its usefulness. Commerce classrooms are filled with typewriters that cannot much longer be kept useful through repair.

The result of the operation of these two factors—(1) excessively rapid depreciation and (2) priorities—has been an accumulation of schools' needs of critical magnitude, worthy of the most sympathetic understanding and careful consideration of Federal Government.

**LAG IN SCHOOL REVENUES**

Throughout the Nation the most widely employed base for school support is real estate. It is a matter of common knowledge that the tax value of real estate has not increased in proportion to rising school costs. This means that the fiscal ability of boards of education has relatively decreased in recent years.

With relatively less to spend, education has been compelled to invest larger sums in personal services. Teachers' salaries, while still greatly in arrears of the mounting cost of living, have increased approximately 10 percent over the war period. Wages of maintenance employees have gone up. The cost of such supplies and materials as have been available has climbed as well. These inescapable factors have left less for boards of education and the governing bodies of our colleges and universities to spend in many lines of school supplies and equipment. In fact, were the market to become immediately abundant in all kinds of goods needed by the schools of the Nation, it would be impossible because of lack of funds for educational purchasing agents to take care of school needs that in increasing amounts have developed since Pearl Harbor.

It may now certainly be expected that education, if it should continue to be limited to existing plans of State and local support alone, will be forced to spend the next decade attempting to restore plants and equipment to their 1941 status. The fiscal ability

of boards of education and similar bodies is inadequate to meet both equipment and personnel demands.

The gap that exists between what schools can afford and what they need is rapidly widening. It stands as a serious threat not only to the individual welfare of American youth but at the same time to the general welfare in the days ahead.

This gap may at least be partially closed if surplus materials, appropriate for educational services, are made available to schools.

**SAFEGUARDING PRODUCTION AND EMPLOYMENT**

It would obviously be unsound to dispose of educational surpluses in a way that would endanger the normal flow of trade between schools and industry. Were surpluses employed to reduce the normal buying of school purchasing agencies the effect would be to close some of the Nation's factories or else harmfully to curtail normal production and employment. This undesirable effect should be, and can be, avoided in giving effect to the National Education Association proposal through good judgment in the administration of whatever provisions on this score Congress itself may deem just and reasonable.

With this in mind, it is proposed that, in demonstrating eligibility to receive transfers of materials without cost from the Nation's stock pile of surpluses, a school system or any institution of higher learning should show substantial evidence that its plan of spending, as set forth in its budget, contemplates normal operations on the basis of its past experience.

**PRINCIPLE OF NEED IS UPPERMOST**

In giving effect to the proposal advanced for committee consideration it is to be noted that the emphasis throughout is on the principle of need, with special reference to actual needs which exist after school purchasing agencies have utilized their normal fiscal powers.

The National Education Association is vigorously opposed to any system of surplus disposal which would in effect result in the indiscriminate allocation of properties and materials to school systems or to institutions which might not exercise due diligence or sound judgment in appraising their needs.

In any event, such estimates of need should be carefully appraised by properly constituted responsible State authorities and, following that, as necessary, they should be subjected to the cooperative evaluation of State authorities and a Federal agency—such as the United States Office of Education—to be named by the Congress.

**BREAK-DOWN OF PROPOSAL**

The proposal of the National Education Association, as originally stated, and with the foregoing considerations in mind, recommends that disposal of surpluses appropriate for educational uses be generally patterned as follows:

1. That properties, equipment, supplies, and other materials acquired for educational services by the armed forces be transferred to the United States Office of Education for allocation without cost to the States on the principle of demonstrated need.
2. That after school purchasing agencies have shown evidence of planning for normal business, as determined by past experience, such school systems and other institutions be given prior call upon surpluses appropriate for educational use, subject to demonstration of fair and reasonable need.
3. That in the event such transfers cannot be made without cost to privately supported and privately controlled school systems and institutions, such school systems and institutions be permitted to purchase appropriate materials at a nominal cost.
4. That the Congress fix responsibility for administration of the disposal of educational surpluses in a Federal agency—e. g., the



United States Office of Education, subject to such rules and regulations as may be approved by the Federal Administrator.

#### PROVISIONS OF H. R. 5125 ARE INADEQUATE

The provisions of H. R. 5125 are exclusive of some of the factors presented in this statement.

Section 11 (a) reads: "Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law, but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions as the agency deems proper."

"(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its handling and sale would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property."

The foregoing provisions make liberal grants of authority to the Administrator in point of disposing of surpluses, but these grants are in nowise restricted, as indeed they should be, by consideration of such factors in relation to education as (1) demonstrated need, (2) the obligation of Federal Government to replace school equipment and supplies and to offset depreciation of school plants resulting from the war effort, (3) inability of school systems and institutions of higher learning to make such replacements out of their own current revenues, (4) application of the principle of priorities to encourage the return of education to at least its pre-Pearl Harbor status in point of equipment, materials, and supplies, and (5) designation of a Federal agency, on the national level, to receive transfers of surplus properties, materials, and supplies on behalf of education and to cooperate with the States in screening analysis of school needs reported from the localities.

It is, in conclusion, proposed that the grants of authority extended the Federal Administrator in section 11, of H. R. 5125, be retained, and that they be supplemented in such manner as the committee may recommend and the Congress finally determine to provide for the arrangement set forth in the section of this statement entitled "Break-down of proposal."

#### DISPOSAL OF FEDERAL SURPLUS PROPERTIES

##### EXCERPTS FROM RECOMMENDATIONS RELATING TO PROPERTIES FOR EDUCATIONAL USES

Educational leaders throughout the Nation are aware of the fact that many problems and difficulties will be encountered in connection with the development of any fair and practical plan for disposing of Federal surplus property in any reasonable period of time. It is their desire to cooperate in every way possible with the Surplus Property Administrator and his staff in developing a sound program which will benefit the entire Nation to the maximum extent possible.

On March 3, 1944, a conference, comprised of representatives of approximately 30 leading national educational and lay organizations, held under the sponsorship of the United States Office of Education recommended that:

"All Federal legislation with reference to the distribution of surplus property to schools . . . should contain explicit provisions to guarantee that . . . the distribution of surplus properties of the Federal Government give top priority to the needs of the educational and other social

services, in order to secure the widest possible utilization of them in the public interest.

"We urge that the Congress of the United States include in its plans for the disposal of surplus Government-owned equipment, furniture, tools, and supplies provision for making available without cost to public schools and other public or State-chartered educational institutions any such materials which can be utilized for educational, training, and research purposes.

"We urge that the title to such equipment, furniture, tools, and supplies be vested by law in the legally constituted State educational agencies authorized to utilize or distribute these materials within the several States."

1. As pointed out by the Baruch report, consideration will have to be given to the quick conversion of education back to a peacetime program, lest the war's interruption leave the future devoid of many of the educated and trained people essential to our continued progress;

2. Satisfactory educational and training programs cannot be carried on without adequate equipment. Many of the schools and educational institutions were not adequately equipped before the war and much of the present equipment will be practically worn out by the close of the war as a result of hard use and limited replacements necessitated by wartime conditions and training programs;

3. Limited financial resources will make it difficult, and in many cases impossible, for much needed equipment to be purchased by schools and educational institutions over any reasonable period of time;

4. The amount of surplus property needed for schools and educational institutions will constitute a relatively small proportion of the total value of surplus property available, yet if this small proportion is made available for educational use, it will benefit the Nation greatly by aiding materially in the development of adequate training programs, and, at the same time, will aid the Government in disposing of its surplus property beneficially without disrupting normal trade;

5. The property has already been purchased by the taxpayers of the Nation. To expect them to purchase it again by using State and local taxes would constitute an unfair and disadvantageous method of effecting a slight potential reduction in the total national debt; and

6. Policies relating to the disposal of surplus property for educational use have far-reaching implications involving the welfare and progress of the Nation and of the citizens in every State in the Nation. It is urged that all such proposed policies should have the careful consideration of qualified educational leaders. The special conference called by the Office of Education earnestly seeks an opportunity to cooperate fully in developing policies which will be of maximum benefit to the Nation and its educational institutions.

#### 1. THE EDUCATIONAL ORGANIZATION

In the United States there are approximately 125,000 local school districts or administrative units, ranging from small one-teacher districts to large counties and cities, as well as several thousand privately-controlled elementary and secondary schools. There are also approximately 600 publicly supported institutions of higher learning which are not administered by local units and more than 1,100 privately controlled higher institutions of various types. Obviously it would be extremely difficult, inefficient, and undesirable for the Federal Government to set up a system or plan for dealing directly with local school units or

individual institutions in disposing of Federal surplus property.

Moreover, it is neither practicable nor desirable for the Federal Government to undertake to determine the division of surplus property among elementary and secondary schools, vocational schools, and institutions of higher learning in a State. Such determination would put the Federal Government in the indefensible position of deciding matters which properly belong under State policy and which the States are better equipped to handle.

Education is a function of the States; the States are, therefore, the logical units with which the Federal Government should deal in matters of this sort.

#### 2. FINANCIAL POLICY AND PRIORITIES IN DISTRIBUTION OF SURPLUS PROPERTY FOR EDUCATIONAL USE

One of the major problems in the acquisition of surplus property by educational institutions is that of financing educational institutions operated on fixed budgets, either on an annual or biennial basis, which do not permit the establishing of reserves for future purchases. In general, school financing is on a year-to-year basis and needs must be determined in advance. Statutory provisions in most States prohibit educational institutions from making loans—except for short-term periods—within the fiscal year. The incurring of a debt, to be paid from future budgets (except for debt service for bond issues), is not permitted in most States. In order for education throughout the United States to participate to the greatest degree in and obtain maximum benefit through the utilization of surplus property, due consideration must be given to the question of whether or not surplus property which can be used to distinct advantage for educational purposes should be donated or sold—even at low prices—to educational institutions.

It seems apparent that there will be available surplus property, the title for which is vested in the Federal Government and which is now being used by State or local educational institutions. (Examples of such property are school buildings and the appurtenances thereto built in war areas under the Lanham Act.) Likewise, there probably will be available surplus property now being used by various Federal agencies for educational purposes. (An example of such property is the equipment and materials being used in Army and Navy schools.) Property of these two types should be made available with a high priority to educational institutions where needed.

There will also be available property not now being used for educational purposes but which could be used to distinct advantage by educational institutions. (Examples of this type of property would be machine tools, trucks adaptable for use as school busses, typewriters, refrigerators, stoves, 16-mm. projectors, etc.) Property of this type should be made available to other interests as well as education.

The following priorities and the methods of allocation are recommended for the disposal of surplus property:

1. Allocation, without cost, to public educational institutions of—

a. Property now being used by State or local educational institutions but with title vested in the Federal Government; and

b. Property now being used by Federal agencies for educational purposes;

2. Allocation, at a determined price level, between Federal Government agencies;

3. Allocation, for sale to State and local tax-supported organizations, including public educational institutions and nonprofit, tax-exempt educational institutions (surplus property made available to educational institutions should be at a price level not higher,



and preferably less, than the price level used for transfers between Federal agencies);

4. Allocation, without cost, of surpluses that cannot or should not be offered for sale, for any reason, to State and local tax-supported organizations, including educational institutions; and

5. Allocation for other uses.

#### SURPLUS PROPERTY MADE AVAILABLE FOR PURCHASE BY STATE AND LOCAL UNITS

In order to assure that the various tax-supported agencies of State and local governments have a reasonable opportunity to obtain the surplus property they need and can use effectively, the following procedures are recommended:

1. That surplus property available for State and local tax-supported agencies and institutions be tentatively apportioned on an objective and equitable plan to each State; and

2. That for educational use in each State there be tentatively allocated that part of the total allocation to the State which is represented by the ratio between the current expense for education during some year, such as 1940, and the total current expense for all State and local governmental purposes, or on the basis of some similar equitable and objective plan to be approved by the United States Commissioner of Education and the Surplus Property Administrator.

It is recommended that surplus property not be made available for State and local tax-supported agencies and institutions in terms of first come, first served, or of any other similar plan that might involve "grab-bag" tendencies or result in unfair distribution. If, for any reason, it should not be possible to make a tentative allocation to States and to public educational agencies within each State in accordance with a plan such as recommended above, then, and only then, consideration should be given to a plan for allotting tentatively a certain percentage of the total dollar value of surplus property for educational use, with the United States Office of Education being given the responsibility of apportioning tentatively to States, on the basis of some objective and equitable formula, their respective proportionate shares of the total.

#### SURPLUS PROPERTY MADE AVAILABLE WITHOUT COST TO PUBLIC EDUCATIONAL INSTITUTIONS

In order to assure that the public educational institutions in the various States have a reasonable opportunity to obtain surplus property made available without cost and which they need and can use effectively, it is recommended that such property be certified to the United States Commissioner of Education by the Surplus Property Administrator, to be apportioned to the respective State educational agencies in accordance with need and on the basis of an objective and equitable plan.

Each of the various over-all State educational agencies should be responsible, in cooperation with existing State educational boards or agencies, for the formulation of any objective and equitable plan for the reallocation of the surplus property apportioned to it to the various public educational institutions within the State.

#### 3. ADMINISTRATIVE PLAN

The Federal Government, as indicated above, should deal only with the States as units insofar as basic tentative allocations are concerned. If, within a reasonable prescribed time, any States have not applied for their full quota, the unused balance should be tentatively reapportioned among the remaining States which need and can use additional property.

Members of the special conference presenting these recommendations are:

B. C. Ahrens, executive secretary, National Educational Buyers Association, New York, N. Y.

L. H. Dennis, executive secretary, American Vocational Association, Inc., Washington, D. C.

Paul E. Elicker, executive secretary, National Association of Secondary School Principals, National Education Association, Washington, D. C.

J. H. Goldthorpe, research associate, American Council on Education, Washington, D. C.

H. V. Holloway, State superintendent of public instruction, Dover, Del.

John W. Lewis, assistant city superintendent of schools, Baltimore, Md.

C. C. MacQuigg, dean of engineering, Ohio State University, Columbus, Ohio.

R. B. Marston, director, legislative and Federal relationship division, National Education Association, Washington, D. C.

J. A. McCarthy, State director of vocational education, New Jersey, and president, American Vocational Association, Trenton, N. J.

Eva G. Pinkston, executive secretary, department of elementary school principals, National Education Association, Washington, D. C.

#### Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944

Location	Type	Estimated total cost
<b>ALABAMA</b>		
Gadsden	School	\$107,411
Anniston	do	87,750
Tuskegee	do	60,528
Do	do	42,652
Mobile	do	251,000
Sylacauga	do	72,207
Childersburg	do	74,814
Mobile County	Schools	46,135
Near Prichard	School	301,913
Huntsville	Schools	361,000
Do	School	92,000
Enterprise	do	29,976
Chickasaw	do	10,000
Bynum	do	45,000
Phenix City	do	47,400
Childersburg	do	525
Talladega County	do	103,540
Phenix City	Schools	58,945
Calhoun County	School	42,365
Phenix City	School addition	41,420
Huntsville	School busses	22,605
Coffee County	School	40,330
Total		1,944,516
<b>ARIZONA</b>		
Fort Huachuca	School addition	96,886
Litchfield	do	17,289
Avendale	School	49,200
Near Tucson	do	53,750
Near Phoenix	do	58,500
Do	do	138,000
Total		413,625
<b>ARKANSAS</b>		
Bauxite	Schools	112,980
Malvern	School	24,228
Walnut Ridge	do	24,386
Near Pine Bluff	do	31,700
Jacksonville	do	35,065
Pine Bluff	School addition	27,793
Do	School equipment	30,425
Total		286,577
<b>CALIFORNIA</b>		
Montebello	School addition	68,000
Chula Vista	do	4,843
Lynwood	School	158,497
Benicia	School addition	64,257
Downey	School	62,662
Benicia	School addition	43,576
Compton	do	106,780
Inglewood	do	117,219
Escondido	School	49,413
Lakewood	Schools	83,469
Grossmont	School	1,782
Compton	School addition	62,791
Inglewood	Schools	66,540
Los Angeles	do	299,000
Coronado	School addition	36,123
Lemon Grove	do	16,274
Lompoc	do	39,800
Lennox	Schools	97,500
Richmond	do	102,100
Napa	School	100,000

#### Federal Works Agency, War Public Works, Federal school projects approved by the President and allotted or transferred as of June 30, 1944—Continued

Location	Type	Estimated total cost
<b>CALIFORNIA—con.</b>		
El Monte	School	\$1,293
Antioch	do	1,120
Manhattan Beach	School addition	22,412
San Diego	School equipment	12,727
Near Vallejo	Schools	290,550
Compton	School	40,400
San Diego	Schools	100,000
Sausalito	School	105,700
Benicia	do	75,000
San Pablo	do	101,462
Richmond	do	132,091
Near Doyle	do	104,613
Richmond	do	318,297
San Pablo	do	47,650
Alameda	do	231,203
San Francisco	Schools	231,300
South San Francisco	School	49,500
Pinecrest Canyon	do	43,250
Meadow Park	do	43,703
Chula Vista	School addition	31,500
Coronado	School	49,000
Lakewood Village	do	80,000
San Diego	Schools	720,000
San Pablo	School	62,200
Richmond	do	134,500
Chula Vista	do	29,200
Albany	do	97,211
Monterey	do	97,100
San Diego	School improvement	2,330,827
Hawthorne	Schools	104,914
Clearwater	School	90,200
Vallejo	Schools	1,558,198
Brisbane	School addition	47,643
Burbank	Schools	448,527
La Mesa	School	78,000
San Miguel	do	23,544
Alameda	do	8,413
Palm City	do	64,420
Long Beach	Schools	24,173
Richmond	School	41,678
Sacramento County	do	69,200
Near Richmond	School addition	16,300
Chula Vista	Schools	95,000
Napa	School addition	29,200
San Bernardino	School	198,020
National City	School addition	84,500
Total		10,146,364
<b>COLORADO</b>		
Pando	School addition	38,015
<b>CONNECTICUT</b>		
East Hartford	School	130,500
Groton	do	26,000
Do	do	63,300
Total		219,800
<b>DELAWARE</b>		
Wilmington	School	50,800
New Castle	do	5,625
Total		56,425
<b>FLORIDA</b>		
West Palm Beach	School	69,170
Ferry Pass	do	1,013
Niceville	do	46,112
Bay County	do	2,500
Near Panama City	do	47,152
Key West	do	87,500
Bay County	do	36,500
Do	do	197,000
Do	do	9,550
Carrabelle	do	31,120
Apalachicola	do	80,000
Escambia County	School addition	1,744
Panama City	do	34,331
Total		643,692
<b>GEORGIA</b>		
Muscogee County	School	540,000
Savannah	do	141,104
Macon	do	147,398
Columbus	do	1,641
Near Moultrie	do	75,200
Brunswick	School addition	432,000
Wellston	School	130,000
Port Wentworth	do	123,400
Savannah	do	136,000
Warner Robins	do	226,565
Brunswick	do	79,000
Total		2,032,308



*Federal Works Agency, War Public Works,  
Federal school projects approved by the  
President and allotted or transferred as of  
June 30, 1944—Continued*

Location	Type	Estimated total cost
<b>IDAHO</b>		
Bayview.....	School.....	\$97,000
<b>ILLINOIS</b>		
Joliet.....	do.....	339
Melrose Park.....	Schools.....	2,400
Wilmington.....	do.....	58,772
Seneca.....	School.....	113,250
Do.....	School improve- ment.....	6,15
Robbins.....	School addition.....	154,635
Worth Township.....	School.....	120,025
Lansing.....	do.....	98,800
Total.....		554,378
<b>INDIANA</b>		
Knox.....	School.....	125,800
Odon.....	Schools.....	169,540
Connersville.....	do.....	2,586
Kingsbury.....	do.....	386,000
Calumet Township.....	do.....	3,883
Charlestown.....	School.....	142,985
Union Township.....	School addition.....	2,430
Total.....		833,224
<b>IOWA</b>		
Burlington.....	Schools.....	105,178
<b>KANSAS</b>		
Wichita.....	School.....	151,345
Kansas City.....	Schools.....	69,867
Wichita.....	School addition.....	20,000
Do.....	School.....	816,000
Eudora.....	do.....	72,000
Total.....		1,129,212
<b>KENTUCKY</b>		
Lexington.....	Vocational schools.....	215,452
Fort Knox.....	School.....	24,513
Elizabethtown.....	School addition.....	876
Vine Grove.....	School.....	100,910
Paintsville.....	Vocational school addition.....	75,508
Total.....		417,259
<b>LOUISIANA</b>		
Tioga.....	School addition.....	36,222
Louisville.....	School.....	81,624
Pickering.....	do.....	60,723
Calcasieu County.....	do.....	111,300
Total.....		289,869
<b>MAINE</b>		
Bath.....	School.....	148,822
Kittery.....	do.....	250,357
York.....	School addition.....	53,400
Portland.....	School.....	140,000
South Portland.....	do.....	154,500
Old Orchard Beach.....	do.....	86,403
Freeport.....	do.....	80,000
Total.....		913,479
<b>MARYLAND</b>		
Aberdeen.....	Schools.....	162,150
Indianhead.....	School.....	228,700
Greenbelt.....	Schools.....	1,067
Baltimore County.....	School.....	80,500
Roxdale.....	do.....	41,500
Baltimore.....	do.....	54,950
Greenbelt.....	School equipment.....	15,000
Do.....	School.....	282,000
Baltimore.....	Schools.....	103,992
Baltimore County.....	do.....	759,150
Great Mills.....	School.....	171,930
Total.....		1,900,939
<b>MASSACHUSETTS</b>		
Ayer.....	School.....	47,431
<b>MICHIGAN</b>		
Warren Township.....	do.....	58,449
St. Clair Shores.....	do.....	696
Garden City.....	do.....	55,819
Buna Vista Township.....	do.....	900
Roseville.....	do.....	73,981
Melvindale.....	do.....	51,000
Wayne County.....	School addition.....	38,200
Do.....	do.....	34,876
Do.....	School.....	118,500

*Federal Works Agency, War Public Works,  
Federal school projects approved by the  
President and allotted or transferred as of  
June 30, 1944—Continued*

Location	Type	Estimated total cost
<b>MICHIGAN—continued</b>		
Dearborn Township.....	School addition.....	\$33,166
Nankin Township.....	School.....	138,000
Do.....	do.....	169,700
Inkster.....	School addition.....	184,000
Norton Township.....	do.....	54,000
North Willow Run.....	School.....	491,900
Muskegon.....	School busses.....	6,838
Wayne.....	School.....	213,645
Inkster.....	do.....	153,000
Wayne County.....	do.....	50,050
Pittsfield Township.....	do.....	77,095
Nankin Township.....	do.....	4,612
Warren.....	School addition.....	76,000
Total.....		2,109,337
<b>MISSISSIPPI</b>		
Pascagoula.....	School.....	10,000
Do.....	do.....	142,303
Do.....	do.....	74,600
Forrest County.....	Schools.....	34,000
Total.....		261,106
<b>MISSOURI</b>		
Waynesville.....	Schools.....	224,693
Lebanon.....	School addition.....	1,070
Total.....		225,763
<b>NEBRASKA</b>		
Omaha.....	School addition.....	14,218
Hastings.....	School.....	78,100
Total.....		92,318
<b>NEVADA</b>		
Whitney.....	School.....	25,493
Las Vegas.....	Schools.....	161,023
Hawthorne.....	School.....	63,730
Tungsten.....	do.....	16,200
Las Vegas.....	Schools.....	85,454
Hawthorne.....	School.....	77,500
Total.....		429,405
<b>NEW HAMPSHIRE</b>		
Portsmouth.....	School.....	143,820
Do.....	do.....	97,874
Total.....		241,694
<b>NEW JERSEY</b>		
Bellmawr.....	School.....	135,000
Winfield Township.....	do.....	184,257
East Paterson.....	School addition.....	1,060
Manville.....	School.....	82,050
Lakehurst.....	do.....	46,250
Audubon.....	do.....	2
Total.....		448,619
<b>NEW MEXICO</b>		
Bayard.....	School.....	28,903
Gallup.....	do.....	20,033
Total.....		48,936
<b>NEW YORK</b>		
Cheektowaga.....	School addition.....	46,800
Do.....	Schools.....	164,587
Tonawanda.....	School.....	157,000
Morish.....	do.....	68,473
Niagara.....	do.....	136,700
Total.....		573,560
<b>NORTH CAROLINA</b>		
Cumberland County.....	School.....	95,464
Fayetteville.....	do.....	29,935
Onslow County.....	Schools.....	133,601
Granville County.....	do.....	21,568
Cherry Point.....	School.....	165,000
Wilmington.....	do.....	123,600
Holly Ridge.....	do.....	50,400
Total.....		624,568
<b>OHIO</b>		
Canton.....	School addition.....	149
Franklin Township.....	do.....	780
Van Buren Township.....	Schools.....	5,358
Mad River Township.....	School.....	167,357
Osborn.....	do.....	132,725
Windham.....	do.....	288,500
Total.....		594,869

*Federal Works Agency, War Public Works,  
Federal school projects approved by the  
President and allotted or transferred as of  
June 30, 1944—Continued*

Location	Type	Estimated total cost
<b>OKLAHOMA</b>		
Pryor.....	Schools.....	\$200,000
Midwest City.....	School.....	314,000
Lawton.....	do.....	165,000
Total.....		679,000
<b>OREGON</b>		
Hermiston.....	School.....	79,400
Portland.....	do.....	179,000
Vancouver City.....	do.....	463,400
Multnomah County.....	do.....	34,718
Portland.....	School addition.....	171,209
Total.....		927,718
<b>PENNSYLVANIA</b>		
Middletown.....	School.....	87,617
Turtle Creek.....	School addition.....	4,151
Upper Moreland Township.....	School.....	100,303
Hopewell Township.....	do.....	38,300
Midland Borough.....	do.....	1,626
Midlin Township.....	Schools.....	208,472
Dravosburg.....	School.....	61,071
Brighton Township.....	do.....	22,000
Corapolis.....	do.....	52,725
Potter Township.....	do.....	49,900
Warminster.....	do.....	136,500
Bethlehem.....	do.....	59,018
Chester Township.....	do.....	63,250
Pymatuning Town- ship.....	do.....	46,250
Total.....		931,243
<b>RHODE ISLAND</b>		
Middletown.....	School.....	15,425
North Kingstown.....	do.....	108,000
Total.....		123,425
<b>SOUTH CAROLINA</b>		
Charleston County.....	School.....	395,981
Do.....	do.....	341,000
St. Andrew Parish.....	do.....	74,424
Mount Pleasant.....	do.....	62,600
Charleston.....	do.....	27,250
Richland County.....	do.....	31,474
South Charleston.....	do.....	81,000
Charleston County.....	do.....	190,000
Do.....	do.....	94,775
Mount Pleasant.....	do.....	82,000
Charleston County.....	do.....	127,425
Total.....		1,507,929
<b>SOUTH DAKOTA</b>		
Provo.....	School.....	46,955
Do.....	do.....	157,300
Total.....		204,255
<b>TENNESSEE</b>		
Milan.....	School.....	100,443
Blount County.....	do.....	108,000
Memphis.....	School addition.....	3,115
Blount County.....	School.....	546
Franklin County.....	do.....	4,603
Tullahoma.....	do.....	20,000
Do.....	do.....	115,000
Marvillville.....	do.....	1,400
Blount County.....	Schools.....	93,467
Gibson.....	School bus.....	1,972
Clinton.....	School.....	32,225
Total.....		450,771
<b>TEXAS</b>		
Corpus Christi.....	School.....	161,512
Near Fort Worth.....	do.....	47,170
Harlingen.....	School addition.....	70,896
Dallas.....	do.....	4,284
Brazoria County.....	School.....	7,411
Midland.....	do.....	2,222
Bexar County.....	School addition.....	1,531
Near San Antonio.....	do.....	1,778
Dumas.....	do.....	39,000
Galena Park.....	School.....	45,443
Near Beaumont.....	do.....	86,395
Angleton.....	do.....	1,307
Orange.....	do.....	240,100
Hooks.....	do.....	228,700
Grand Prairie.....	Vocational school.....	104,000
Tarrant County.....	Schools.....	89,500



*Federal Works Agency, War Public Works,  
Federal school projects approved by the  
President and allotted or transferred as of  
June 30, 1944—Continued*

Location.	Type	Estimated total cost
<b>TEXAS—continued</b>		
Killeen.....	School.....	\$43,000
Grand Prairie.....	do.....	143,078
Kingsville.....	do.....	42,600
Sweeny.....	do.....	21,600
Fort Worth.....	do.....	48,000
Galena Park.....	do.....	116,900
Pasadena.....	do.....	94,000
Dallas.....	do.....	100,000
Brackettville.....	do.....	14,300
New Boston.....	do.....	66,500
Mineral Wells.....	Schools.....	29,072
Palacios.....	do.....	106,449
Harlandale.....	School.....	82,538
Bangs.....	do.....	32,612
Near San Antonio.....	do.....	59,410
Fort Worth.....	do.....	99,400
Texarkana.....	School buses.....	6,639
Total.....		2,235,017
<b>UTAH</b>		
Ogden.....	School.....	65,900
Near Ogden.....	Schools.....	224,000
Do.....	School.....	115,000
Tooele.....	do.....	44,200
Do.....	do.....	72,000
Do.....	do.....	53,900
Total.....		575,000
<b>VIRGINIA</b>		
Newport News.....	School addition.....	86,200
Radford.....	Schools.....	300
Portsmouth.....	School addition.....	720
Portfolk County.....	do.....	529,300
Craddock.....	do.....	58,300
Do.....	School.....	187,118
Pulaski County.....	Schools.....	19,405
Fairfax County.....	do.....	300
Near Quantico.....	School.....	45,000
Near Norfolk.....	do.....	252,470
Newport.....	do.....	256,300
Near Portsmouth.....	do.....	252,470
Do.....	do.....	119,500
Newport News.....	do.....	158,000
Alexandria.....	do.....	44,700
Norfolk.....	do.....	108,000
Yorktown.....	do.....	16,415
Warwick County.....	do.....	137,100
Elizabeth City County.....	School addition.....	2,000
Do.....	do.....	141,135
Alexandria.....	Schools.....	101,000
Arlington County.....	do.....	150
Norfolk.....	do.....	12,660
Arlington.....	do.....	3,016
Total.....		2,531,549
<b>WASHINGTON</b>		
Spokane.....	Vocational school.....	2,088
Chico.....	School.....	51,262
Vancouver.....	Schools.....	548,250
Seattle.....	School.....	123,000
Port Orchard.....	do.....	168,000
Vancouver.....	Schools.....	746,855
Seattle.....	School.....	361,000
Port Orchard.....	do.....	287,113
Vancouver.....	School addition.....	258,140
Bremerton.....	School.....	225,695
Chico.....	do.....	32,843
Total.....		2,810,246
<b>WEST VIRGINIA</b>		
Spring Hill.....	School.....	13
Point Pleasant.....	do.....	65,000
Total.....		65,013
<b>WISCONSIN</b>		
Merrimac.....	School.....	\$79,800
<b>ALASKA</b>		
Sitka.....	do.....	124,640
Grand total.....		40,995,077

Mr. MANASCO. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, we are discussing today a bill that I think is of the greatest interest to the people of this

country. Like most of you, I have just returned from my district. I believe there is not a single subject coming before the people today in which they have taken as much actual interest as this question of disposing of these vast surplus supplies of property that we have on hand. Frankly, the people are seriously concerned about it, and I believe 90 percent of them believe we are going to sacrifice most of this property. They hope we will not, but they cite the experience of the previous World War, and they are all apprehensive about what is going to happen to this property. Frankly, I do not think the people at large have a great deal of confidence in the Congress in handling this property, and it is up to us to show them they actually should have more confidence in our ability than they credit us with. Unless we work this thing out in a most careful manner, they are going to feel that the Congress did not give it the attention it should have been given.

I think the committee has been working hard on it, and I think that much has been accomplished, but I am not at all satisfied to go along and hand the people of this country a solution that is as inadequate as I feel is the solution that is presented to us in this bill. Certainly in some of its major aspects this bill lacks a great deal of doing the things the public has a right to expect and does expect of this Congress. For instance, the farmers of this country have been talking about this surplus machinery, not simply within the last few weeks but for the past 2 years. Many of us have led the farmers of this country to expect that when this war was over they would be able to show just how useful some of this material could be for soil-conservation purposes. Most of us who represent rural areas have given lip service to soil conservation and told the people how anxious we were to protect the riches of our country in the form of soil fertility.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. REED of New York. Not only soil conservation, but there is much machinery, the jeep, and various other machines, small trucks, and so forth, that mean everything to them whether they are engaged in soil conservation or not.

Mr. POAGE. That is unquestionably so, but I was only going to discuss the soil-conservation aspect. I believe the gentleman is eminently correct there, just as was the gentleman from Georgia a while ago when he said there were several angles to this bill that reached way down to the grass roots and vitally affect our people in important particulars of their lives. But I wanted to discuss particularly this soil-conservation angle because we have at the present time a great supply of material now owned by the Army and Navy which shortly will become surplus, which is usable and useful for soil-conservation purposes but which has not a very high resale value. Most of the machinery of which I am speaking consists of bulldozers, tractors, large caterpillars, grading equipment, shovels, drag lines, every kind of equipment that moves dirt. Any dirt-moving

equipment is useful for soil-conservation purposes.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am glad to yield to my colleague from Texas.

Mr. MAHON. Last year and again this year I met with the directors of several soil-conservation districts and they told me that if they could get some of this equipment of which the gentleman is speaking they would be able to work marvels in soil conservation in those areas. I wonder if the gentleman has had a similar experience in his own district and knows of this direct vital interest on the part of the people?

Mr. POAGE. Absolutely. Not only have I had that experience in my own district but I have had communications from all over our own State and from several other States of the Union expressing interest in this matter. I introduced a bill last winter in the Committee on Agriculture to provide for the disposition of surplus machinery that could be used in soil conservation, which bill provided that the surplus machines might be allocated to these districts. Probably as a result of my authorship of this bill I have received an unusual amount of correspondence on this subject.

There are large surpluses of this machinery the resale value of which is very small if placed on the market today. I do not know of anybody who would buy it except contractors and they have all the equipment now they can possibly use for a good many years to come. Every one of these general contractors who has been engaged in war work has acquired a whole lot more equipment than he can possibly use in peacetime when there will be less construction than there has been during the war. There is no other market for this type of equipment. Hence if it were placed on the market it could bring only a few cents on the dollar; there just is not anybody to buy it. This bill provides that it shall be sold on the open market. That ordinarily is the proper way to sell things where there is a market, but unfortunately there is no market for this type of equipment; there is no one left to buy this soil conservation equipment except soil conservation districts, and they do not have any money. General contractors who would ordinarily buy it have more equipment now than they can possibly use for years to come. I think it is an intolerable situation to pass legislation here which will require us either to sell this equipment at 5 cents on the dollar to a group of speculators, or to place it in depots to let it stand idle until it has entirely lost its value through becoming obsolete; and that is exactly what is going to happen unless we adopt some provision to make this equipment available for soil conservation purposes.

The amendment I propose to offer is not an amendment to give anything to anybody because I recognize the philosophy of the committee's bill and I do not want to try to tear it down. I want to try to work in cooperation with this committee; hence I propose and will offer to-



morrow at the appropriate place an amendment which will not give these districts a thing in the world but which will allow the Secretary of Agriculture to lend to soil conservation, flood control, drainage control, irrigation control and water control, and other conservation districts such machinery as he certifies is useful and usable to those districts and which will allow them to keep and use that material so long as they are putting it to constructive use. It still specifically leaves the title of the property in the United States Government and leaves it subject to the terms of this very bill. The minute this machinery becomes surplus in the sense that it is no longer used it is subject to the other provisions and will be available for sale or distribution under the other terms of this bill, but my amendment will not allow this equipment to be concentrated in large depots over this country there to rust and become obsolete.

It seems to me we should make this equipment useful in soil-conservation districts in the coming months of reconstruction for we must make up for the time we have lost from conservation practices during the war. The Secretary of Agriculture tells us we have lost millions of acres of land because of the little work that could be continued on soil conservation. The individual farmer has not been able to carry out terracing and other conservation practices during the war because he could not get the machinery and could not pay for the labor. But with this equipment being made available and being used in the next year or two much employment will be provided for the men who will operate it and much good will be done in conserving the fertility of our land on which the basic prosperity of our whole Nation depends. Certainly this is much better use than to let this equipment rust in depots where the present committee bill would keep it standing idle, for then you will not have the men employed, you will not have your soil conservation, and you will not have any useful return whatsoever to the people of the country who paid for this machinery.

Mr. REED of New York. Will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. REED of New York. If the equipment is left idle and is not oiled and taken care of, it deteriorates in almost no time at all?

Mr. POAGE. It deteriorates much faster than it does if it is in actual use. Deterioration on this equipment is almost entirely a matter of age and is much more rapid if you are not using it than if you are using it and keeping it up. Consequently the Government would not sustain any loss by allowing these districts to use the equipment.

Mr. Chairman, I want to read you the amendment I propose to offer in order that we may all understand that we are not here trying to break down a policy of the committee, but, rather, to implement that policy and make it more practical so that there will be no dead equipment for which this Congress can be properly criticized. The committee bill

would necessarily establish these large depots all over the country. Think of putting 10,000 caterpillars in one depot, and that is what you will have. Think of putting 1,000 draglines in 1 depot. Think of the criticism that will be heaped on your heads if we pass legislation which makes that possible at a very time when our people's land is being washed away and when we are called upon to make appropriations for those purposes. Do not think we will not be criticized, because we will and we will deserve all the criticism we will get. It is not a sufficient answer to say that under the terms of this bill the districts can buy this equipment at a price. The rich districts could buy it, of course, but the rich districts are not the districts that have to have it. The rich districts by the very nature of things are not the ones that are in the most desperate need. It is those districts, and they are numerous over this country, that do not have a dollar with which to buy anything that need the use of this machinery. The proposed amendment makes it possible for them to borrow the equipment and to operate it. Of course, they will have to pay all the operating expenses, but they will be privileged to borrow and to operate this equipment in order to make that district productive enough so that in the future they will be able to buy something for themselves.

Here is the amendment which I propose to offer:

The Administrator and each owning agency is hereby authorized, empowered, and directed to transfer without reimbursement, deposit, or transfer of funds, any surplus material or equipment which may be requisitioned by the Secretary of Agriculture as being needed and useful in carrying out erosion control or soil or water conservation works or related public purposes. Such requisitions shall be accomplished with a certificate from the Secretary of Agriculture that such material or equipment is needed and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws. Such material and equipment shall remain the property of the United States but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation or grazing districts or authorities and to other public bodies in accordance with such standards, conditions, rules and regulations, as may be recommended by the Soil Conservation Service and as may be established by the Secretary of Agriculture.

Mr. Chairman, in all good faith I have attempted to write an amendment here that will keep title in the hands of the Government, that will not break down the policies that this committee has enunciated of refusing to give anything to anyone. I have attempted to write an amendment which will make usable property that the United States now has and which can have no other use unless you pass legislation of this kind. Merely tying it up will not get the job done. Merely saying that the districts must pay for it when the districts do not have the money will not get the job done. You will simply have a loss of money to the taxpayers, a loss in future productivity of the land of this Nation, a loss all the way around, a loss for which this Congress will be responsible if we do not

take action to prevent it. We have the opportunity here to prevent that.

The Secretary of Agriculture said when he appeared before the committee:

I believe that any legislation dealing with surplus war property should provide definitely and specifically for meeting the needs of these programs while this surplus is still in Government ownership.

I want to keep this machinery and equipment in Government ownership, but to use it for a conservation program to which this Congress has long ago committed the Nation. I hope that tomorrow you will see fit to give us an opportunity to put this property to a useful use.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

#### MACHINERY AND EQUIPMENT FOR SOIL CONSERVATION DISTRICTS

Mr. MAHON. Mr. Chairman, I feel a great personal interest and some responsibility in connection with the amendment which is to be offered and which has just been discussed by the gentleman from Texas [Mr. POAGE]. In conference with people interested in soil conservation in my district in west Texas, I assured them that the Congress in its wisdom would probably pass legislation enabling these soil conservation districts to acquire or to secure from the Government these properties which the gentleman from Texas [Mr. POAGE] has described, in order to promote the program of soil conservation. That has not been taken care of in the bill as now written by the committee and I very strongly feel that the amendment proposed by the gentleman from Texas should be adopted.

The amendment as previously read is as follows:

The Administrator and each owning agency is hereby authorized, empowered, and directed to transfer without reimbursement, deposit, or transfer of funds, any surplus material or equipment which may be requisitioned by the Secretary of Agriculture as being needed and useful in carrying out erosion control or soil or water conservation works or related public purposes. Such requisitions shall be accompanied with a certificate from the Secretary of Agriculture that such material or equipment is needed and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws. Such material and equipment shall remain the property of the United States but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation or grazing districts or authorities and to other public bodies in accordance with such standards, conditions, rules, and regulations, as may be recommended by the Soil Conservation Service and as may be established by the Secretary of Agriculture.

I grant fully that everything should be done within our power to protect the taxpayers. They have spent their money to buy these expensive articles of war and, if it were possible to realize by sale the real value of the property we would be confronted with a different situation. The reason this bill having to do with surplus property is such a difficult bill



is on account of the fact we have too much of this material; therefore, there is not a ready market for it and it will not be possible for the Government or for the Administrator, be he Mr. Clayton or someone else, to go out and find a ready market and sell at a good price the various surplus properties of the Government. It is because of that fact that we must be careful to prevent graft and profiteering; it is for that reason we must be careful not to disrupt the normal economic balance in this country by dumping surplus property on the market in an ill-advised way. We must keep in mind the greatest good to the greatest number, and profiteering and graft must at all cost be prevented. So it seems to me if we can devote this machinery and equipment to public use through soil-conservation districts, thereby serving all of the people, serving the Nation and the generations to come, we are performing a great service. If we provide this property it will be in the interest of economy. To sell machinery needed by soil-conservation districts, to speculators, and for a fraction of its value would be very bad indeed. It must not be done when this better and public use can be made of it.

I sincerely hope when the amendment is offered it will be possible for us to secure adoption of it in the interest of conservation of our soil.

#### SURPLUS EQUIPMENT FOR SCHOOLS AND COLLEGES

Mr. Chairman, for a moment, if I may, I should like to speak with reference to the conservation of another thing—and that is the youth of the country. The schools and colleges should share in the distribution of this surplus property.

There are a lot of machine tools. We have too many machine tools and will have at the end of the war.

There are public schools and engineering colleges all over the Nation, including Texas Technological College, in my own district; that need these various machine tools and other equipment for training purposes. This equipment will not go into competition, and it would serve, if it can be utilized by these institutions, a very good purpose in the program of education. I can see no good reason why we should not immediately after this war, or whenever this property becomes surplus, make it available under an amendment similar to the one which has been discussed by the gentleman from Georgia [Mr. TARVER] to the schools of the Nation and for the common good.

The Congress will not be going very far afield if it devotes some of its energy in connection with this surplus property disposal to the conservation of our soil and to the education of the youth of the land. All taxpayers will profit by that procedure, and I hazard the prediction that the people of this country will not be adverse to cooperating with the program and using their property for the purposes of conservation of soil and promotion of education. We will get our money's worth out of surplus property devoted to these purposes.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, an amendment will be proposed to the pending bill, and I am very hopeful it will be offered by the committee, adding the following section:

Page 31, line 15, after "(a)", insert "(1)" and after line 22 insert:

"(2) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless such commodity is being disposed of, pursuant to this act, for export at competitive world market prices."

The purpose of this amendment is to apply to the sale of farm commodities under this bill—except sales for export—all of the restrictions which Congress has imposed on the sale of farm commodities by Commodity Credit Corporation. These restrictions include the provisions of section 381 (c) of the Agricultural Adjustment Act of 1938 and certain provisions of the Agriculture Appropriation Act, 1945.

The Agricultural Adjustment Act of 1938 permits Government-held cotton to be sold only at a price sufficient to fully reimburse the United States for the total cost of the cotton, including all payments made with respect to the cotton by any of its agencies, and, in addition, limits the sale of such cotton to one and one-half million bales in any calendar year and 300,000 bales in any calendar month. The Agriculture Appropriation Act for 1945 includes a proviso which, with certain exceptions, prohibits the sale by Commodity Credit Corporation at less than the parity or comparable price. The obvious purpose of these restrictions is to support farm prices by withholding Government stocks of farm commodities from the market. These restrictions apply to all commodities which may be offered for sale by Commodity Credit Corporation, including cotton, wheat, corn, tobacco, rice, peanuts, soybeans, barley, dry edible beans, flaxseed, grain sorghums, turpentine, rosin, field peas, potatoes, rye, oats, sugar beets, sugarcane, wool, legume and grass seeds, eggs, milk products, poultry, prunes, raisins, various fruits, and many other commodities.

The Congress has determined that the above restrictions are essential in order to carry out the domestic price policies which have been established for the farmers of this country and we should not permit surplus commodities handled under the Surplus Property Act to be sold at prices or in quantities which would be contrary to these restrictions.

The need for certain exceptions has been recognized, however. At the present time the law permits the disposal of any commodity below parity or comparable price if it has substantially deteriorated in quality. Also perishable fruits and vegetables may be sold below parity if there is danger of deterioration or of accumulation of stocks. The law further permits wheat and other commodities except corn to be sold for feed at less than their parity prices but prohibits the sale of wheat for feed at less than the parity price for corn. In addition, agricultural commodities may be

sold below parity when they are sold to farmers for seed or are sold for new or byproduct uses or, in the case of peanuts, for the extraction of oil.

It should be noted, however, that these exceptions do not include sales for export. As we look forward to the post-war period an exception for this purpose becomes increasingly important and it is one purpose of the proposed amendment to provide such exception.

Sales of commodities for export which are made in such manner as to not interfere with domestic price policies should obviously be permitted with respect to surplus commodities and commodities held by Commodity Credit Corporation, in order that there may be no serious impairment of our export markets for our farm crops.

A study of cotton production, consumption, and exports in the United States and foreign countries for the past 20 years reveals the following outstanding facts. Cotton production in the United States during this 20-year period has averaged 13,141,000 bales. The production during the last 10 years has averaged 11,783,000 bales and the last 10 years excluding the big crop of 1937-38 has averaged 11,062,000 bales. Prior to the big crop of 1937-38, the carry-over averaged 4,738,000 bales but increased about 7,000,000 bales as a result of the 1937-38 crop, and in 1939-40 reached a high point of 12,956,000 bales. We have been able to reduce this carry-over to about 10,500,000 bales, but this is still a very large carry-over.

Foreign cotton production has increased from approximately 10,000,000 bales in 1924-25 to a high point of 18,333,000 bales in 1937-38, and, for the past season, from the best information obtainable, foreign production was 14,750,000 bales. The foreign carry-over of cotton was less than 4,000,000 in 1924-25, but has increased rapidly since 1940 to 12,246,000 bales the past season or almost 2,000,000 bales larger than the United States carry-over of cotton.

The United States cotton farmer's volume of business depends upon two things, consumption of his cotton in the United States plus exports. During the 20-year period from 1920 through 1939 we exported 53 percent of the United States production. Export figures of United States cotton are not available for the past 3 years on account of the war, but totaled about 4,200,000 bales for the 3-year period, or an average of about 1,400,000 bales per year. For the 20-year period prior to the war, exports of American cotton averaged about 7,000,000 bales. During the 10-year period prior to the war our exports averaged 5,700,000 bales, and in the 5-year period prior to the war they averaged 4,300,000 bales. We must maintain a fair amount of United States cotton moving into the export market if we are to reduce our carry-over and maintain a sufficient volume of business for our cotton producers.

Some competing cottons sell cheaper in the export market than American cotton. Brazilian type 5 Sao Paulo, which is roughly equivalent to our Middling 32-inch cotton averaged 13.15 cents per pound last year and is now



selling around 14 cents per pound. This is 7 to 8 cents per pound cheaper than our cotton of similar quality. Peruvian Tanguis 5 averaged about 16½ cents per pound last year, or some 12 cents per pound cheaper than our cotton of similar quality. Egyptian cotton of approximately the same length is now selling about 16 cents per pound cheaper in Egypt than SXP cotton is selling in the United States. Indian Jarilla cotton, equivalent to much of our Texas-Oklahoma cotton, is now selling from 16 to 18 cents per pound in India. It seems necessary that some agency of the Government must be authorized to assist the movement of United States cotton into export channels until world adjustments can be made. The Commodity Credit Corporation now owns about 2,000,000 bales of cotton which is suitable for many of the export markets. This organization can assist the movement of United States cotton into the export markets to maintain the American cotton position during the coming adjustment period. The restriction on the sale of cotton should be removed with reference to cotton sold in the export market.

Wheat is another of our great export commodities. This year we are harvesting 1,131,000,000 bushels of wheat in this country, by far the largest crop ever produced. At the present time large quantities of wheat are being used as feed and for the production of alcohol,

but after the war we must again look to the export market as a substantial outlet for our wheat supplies. During the 20 years from 1920 through 1939 production of wheat in the United States averaged 784,000,000 bushels per year and exports averaged 141,000,000 bushels per year, or 18 percent of production during that period.

The wheat farmers of the Pacific Northwest have in the past been particularly dependent upon an export market for their wheat and substantial quantities of our hard winter wheat produced in the Great Plains States, particularly in Kansas, Oklahoma, and Texas, have found a market in foreign countries. The farmers of these areas should not be denied the opportunity to sell their wheat into their normal export markets. If the wheat is to be sold we must be in a position to establish prices on this wheat which will be in line with the price at which wheat is being exported from Canada, Argentina, Australia, and other wheat-exporting nations of the world. At the present time, the farmers of Canada and Australia are receiving average prices of approximately \$1 per bushel and in Argentina about 85 cents per bushel as compared with an average price of about \$1.35 per bushel to farmers in this country.

Tobacco is a third commodity which may be adversely affected in the post-war period unless provision is made for

selling farm commodities in export channels at competitive world prices. This is particularly true of flue-cured tobacco which is produced primarily in the Carolinas, Virginia, Georgia, and Florida. Before the war approximately one-half of the flue-cured crop was being exported. There have also been substantial exports of several other types of tobacco.

Other commodities with respect to which export markets are particularly important include apples, oranges, prunes, raisins, and other fruits; canned vegetables; rice; condensed and evaporated milk and a number of other dairy products; lard and other livestock products; and naval stores.

Price-supporting activities are being carried out with respect to practically all of these commodities and the Government is committed to the continuation of these price-supporting activities for at least 2 years after the war. These price-supporting activities cannot be carried out successfully unless proper restrictions are applied to sales in normal domestic markets. In export, however, consumption may be greatly curtailed if prices get out of line. Therefore, if adequate outlets are to be provided in export we must be prepared to adjust prices and the administrative agencies must be free to meet the changing situations with which we will be faced in world markets in the post-war period.

Exports of specified commodities produced in the United States during designated marketing years, 1935-39

Commodity	Unit	Beginning of marketing year	Marketing year beginning in—				
			1935	1936	1937	1938	1939
Wheat (including flour)	1,000 bushels	July 1	15,929	21,584	107,194	115,784	54,274
Rice	1,000 bushels	do	3,043	1,866	11,165	12,361	10,970
Cotton	1,000 bales	Aug. 1	6,267	5,689	5,976	3,512	6,501
Tobacco	1,000 pounds	July 1	432,668	416,884	459,564	473,757	342,153
Apples (fresh, dried, and canned)	1,000 bushels (in terms of fresh)	do	18,171	10,601	15,517	17,808	6,244
Apricots	Tons	do	83,729	87,904	98,980	94,090	99,258
Oranges	1,000 boxes	Nov. 1	4,209	2,488	7,597	6,471	3,828
Grapefruit	1,000 boxes	Sept. 1	928	704	1,004	1,235	811
Grapes	Tons	July 1	18,676	23,058	35,014	39,929	29,980
Raisins (dried)	Tons	Sept. 1	60,891	69,121	76,674	84,290	62,079
Prunes	Tons (fresh basis)	July 1	275,856	211,102	275,189	280,444	162,997
Lard	1,000 pounds	Jan. 1	97,359	112,168	136,778	204,603	277,272
Manufactured dairy products <sup>1</sup>	1,000,000 pounds (milk equivalent)	do	131	106	122	160	101
All agricultural products	\$1,000,000	July 1	766	732	891	683	738
Percentage agricultural exports of all exports	Percent	do	32.3	26.2	26.5	23.7	19.7

<sup>1</sup> Includes butter, cheese, condensed and evaporated milks, dry milk, infants' foods, and malted milk.

Source: Agricultural Statistics, U. S. Department of Agriculture.

Production and exports of cotton, wheat, and tobacco produced in United States by years, 1920-44

Year	Wheat			Cotton			Tobacco		
	Production	Domestic exports <sup>1</sup>	Percent domestic exports of production	Production	Domestic exports <sup>2</sup>	Percent domestic exports of production	Production	Domestic exports <sup>3</sup>	Percent domestic exports of production
	1,000 bushels	1,000 bushels		1,000 bales	1,000 bales		1,000 pounds	1,000 pounds	
1920	843,277	369,313	43.8	13,429	5,973	44.5	1,609,212	500,526	33.6
1921	818,964	282,566	34.5	7,945	6,348	79.9	1,004,928	463,389	46.1
1922	846,049	224,900	26.5	9,755	5,007	51.3	1,254,304	454,364	36.2
1923	759,482	159,880	21.0	10,140	5,815	57.3	1,517,683	597,630	39.4
1924	841,617	260,893	31.0	13,630	8,240	60.5	1,244,928	480,702	38.6
1925	668,700	108,636	16.2	16,105	8,267	51.3	1,376,608	537,240	39.0
1926	832,213	219,160	26.3	17,978	11,209	62.8	1,289,272	516,402	40.1
1927	875,089	206,259	23.6	12,956	7,857	60.6	1,211,311	489,996	40.5
1928	914,373	163,687	17.9	14,477	8,419	58.2	1,373,214	565,025	41.2
1929	823,217	153,245	18.6	14,825	7,035	47.5	1,632,676	600,181	39.1
1930	886,470	131,475	14.8	13,082	7,133	51.2	1,648,037	591,035	35.8
1931	941,674	135,797	14.4	17,097	9,193	53.8	1,505,088	432,361	27.6
1932	766,927	41,211	5.4	13,093	8,896	68.4	1,018,011	399,067	39.3
1933	551,083	37,002	6.7	13,047	7,994	61.0	1,371,965	472,630	34.4
1934	526,052	21,532	4.1	9,636	5,037	52.3	1,084,580	374,658	34.5
1935	628,227	16,929	2.5	10,698	6,267	58.9	1,302,041	432,668	33.2

See footnotes at end of table.



Production and exports of cotton, wheat, and tobacco produced in United States, by years, 1920-44—Continued

Year	Wheat			Cotton			Tobacco		
	Production	Domestic exports	Percent domestic exports of production	Production	Domestic exports	Percent domestic exports of production	Production	Domestic exports	Percent domestic exports of production
	1,000 bushels	1,000 bushels		1,000 bales	1,000 bales		1,000 pounds	1,000 pounds	
1936	629,880	21,584	3.4	12,399	5,689	45.9	1,162,838	416,884	35.8
1937	873,914	107,194	12.3	18,946	5,976	31.5	1,569,023	459,564	29.3
1938	919,913	115,784	12.6	11,943	3,512	29.4	1,385,573	473,757	34.2
1939	741,180	54,274	7.3	11,817	6,501	55.0	1,880,793	342,153	18.2
1940	813,305	40,557	5.0	12,566	1,174	9.3	1,462,080	179,626	12.3
1941	943,127	( <sup>1</sup> )	—	10,744	( <sup>1</sup> )	—	1,262,049	( <sup>1</sup> )	—
1942	981,327	( <sup>1</sup> )	—	12,824	( <sup>1</sup> )	—	1,412,437	( <sup>1</sup> )	—
1943	836,298	( <sup>1</sup> )	—	11,427	( <sup>1</sup> )	—	1,399,935	( <sup>1</sup> )	—
1944	<sup>2</sup> 1,132,105	—	—	<sup>3</sup> 11,022	—	—	<sup>1</sup> 1,616,498	—	—
Average 1920-39	783,974	141,482	18.0	13,185	7,021	53.3	1,365,070	477,902	35.0

<sup>1</sup> Foreign trade, including flour, year beginning July.<sup>2</sup> Foreign trade, year beginning August.<sup>3</sup> Foreign trade, year beginning July.<sup>4</sup> Data not published because of war restrictions.<sup>5</sup> Indicated production as of Aug. 1, 1944.

War Food Administration, Commodity Credit Corporation, statement of loans and commodities owned June 30, 1944

	Total loans made <sup>1</sup>		Commodity loans outstanding <sup>3</sup>			
	Quantity pledged	Face amount <sup>2</sup>	Held by Commodity Credit Corporation	Held by banks	Total	Collateral pledged
Agricultural supplies program:	<i>Bushels</i>					<i>Bushels</i>
1942 soybeans	3,641,336	\$5,525,700.85	\$11,105.60	\$7,496.08	\$18,601.68	11,820
1943 soybeans	258,242	474,423.08	146,302.11	30,848.97	177,151.08	92,149
Other loans		4,161,111.01	1,840,767.98		1,840,767.98	
Total			1,998,175.09	38,345.05	2,036,520.14	
Barley loans:						
1942 barley	15,175,110	8,139,870.70	37,369.53		37,369.53	71,165
1943 barley	759,147	557,290.55	35,719.10	44,431.40	80,150.50	109,231
Other loans <sup>4</sup>			4,679.32		4,679.32	10,717
Total			77,767.95	44,431.40	122,199.35	191,113
Bean loans: 1943 beans	<i>Hundredweight</i>					<i>Hundredweight</i>
	455,212	2,544,138.65	1,063.90	1,324.12	2,388.02	476
Corn loans:	<i>Bushels</i>					<i>Bushels</i>
1943 corn	7,723,036	6,502,250.41	85,526.07	4,994,173.91	5,079,699.98	6,044,904
Other loans <sup>4</sup>			54,878.65	113,026.55	167,905.20	218,392
Total			140,404.72	5,107,200.46	5,247,605.18	6,263,296
Cotton loans:	<i>Bales</i>					<i>Bales</i>
1942 cotton	3,144,320	264,852,879.32	135,771,598.43	<sup>5</sup> 7,507,693.01	143,279,291.44	1,633,316
1943 cotton	3,584,895	342,305,755.90	201,097,738.23	<sup>6</sup> 54,323,111.89	255,420,850.12	2,552,792
Other loans <sup>4</sup>			578,963.98		<sup>6</sup> 578,963.98	
Total			337,448,300.64	61,830,804.90	399,279,105.54	4,186,108
Flaxseed loans:	<i>Bushels</i>					<i>Bushels</i>
1943 flaxseed	600,005	1,593,948.20	38,865.14	832,103.83	870,968.97	318,189
Other loans <sup>4</sup>			6,257.48		6,257.48	2,870
Total			45,122.62	832,103.83	877,226.45	321,059
Grain sorghums loans:						
1943 grain sorghums	46,210	38,772.50	1,556.02	6,123.52	7,679.54	10,338
Other loans <sup>4</sup>						
Total			1,556.02	6,123.52	7,679.54	10,338
Naval stores:	<i>Barrels</i>					<i>Barrels</i>
1942 turpentine	152,480	4,177,341.08	255.55		255.55	10
1938 rosin	937,300	9,860,996.54	257,110.45		257,110.45	23,424
1942 rosin	345,577	5,438,316.15	832.01		832.01	54
Total			258,198.01		258,198.01	23,488
Pea loans: 1943 peas	<i>Hundredweight</i>					<i>Hundredweight</i>
	41,918	177,935.19	45,602.11		45,602.11	11,155
Potato loans: 1943 potatoes	4,245,628	6,686,946.78	3,055,104.44	733,980.53	3,789,084.97	2,314,599
Rye loans:	<i>Bushels</i>					<i>Bushels</i>
1942 rye	5,241,936	3,131,783.35	23,590.51	96.66	23,687.17	40,305
1943 rye	131,176	98,327.23	5,647.34	6,215.81	11,863.15	15,605
Other loans <sup>4</sup>			1,794.57		1,794.57	3,008
Total			31,032.42	6,312.47	37,344.89	58,918
Sugar loans: 1943 sugar		297,290.26	64,648.26		64,648.26	
Tobacco loans:	<i>Pounds</i>					<i>Pounds</i>
1941 dark tobacco	9,664,545	1,649,704.94	174,450.08		174,450.08	684,330
1942 dark tobacco	8,937,039	2,444,178.78		543,380.62	543,380.62	2,124,435
1943 dark tobacco	70,975	17,872.79		18,751.26	18,751.26	70,975
Total			174,450.08	562,131.88	736,581.96	2,879,740
Wheat loans:	<i>Bushels</i>					<i>Bushels</i>
1942 wheat	406,534,219	460,988,543.77	2,496,952.79	1,219,930.62	3,716,883.41	2,992,367
1943 wheat	129,848,588	161,951,199.57	661,599.76	19,167,847.78	19,829,447.54	15,568,744
Other loans <sup>4</sup>			46,054.86		46,054.86	58,136
Total			3,204,607.41	20,387,778.40	23,592,385.81	18,619,247
Total commodity loans			346,546,033.67	89,550,536.56	436,096,570.23	

See footnotes at end of table.

War Food Administration, Commodity Credit Corporation, statement of loans and commodities owned June 30, 1944—Continued

## COMMODITIES OWNED BY COMMODITY CREDIT CORPORATION

Commodity	Quantity <sup>1</sup>	Book value <sup>1</sup>	Commodity	Quantity <sup>1</sup>	Book value <sup>1</sup>
Agricultural supplies.....		\$134,077,191.18	Wheat.....	99,074,886 bushels.....	\$165,153,051.72
Cotton.....	2,645,012 bales.....	170,425,305.25	Wool.....	230,666,649 pounds.....	118,043,929.39
Oats.....	1,299,037 bushels.....	1,489,973.49	Other commodities.....		48,193,259.04
Potatoes (dehydrated).....	3,158,616 hundredweight.....	7,235,930.32	Total.....		\$68,319,561.29
Sugar.....	2,260,245 tons.....	136,347,811.46			
Tobacco.....	163,851,715 pounds.....	87,347,109.44			

<sup>1</sup> Current programs only. Includes loans made direct by Commodity Credit Corporation and guaranteed loans made by private lending agencies.  
<sup>2</sup> Storage advances are excluded.  
<sup>3</sup> Loans held by the Corporation include face amounts of notes acquired and charges paid. Loans held by banks represent face amounts only.

<sup>4</sup> Represents inactive loan programs in process of final liquidation.  
<sup>5</sup> Held by cooperative marketing associations only.  
<sup>6</sup> In process of adjustment.  
<sup>7</sup> Includes commodities in process of sale. The value includes accrued charges.

## Prices of various types of domestic and foreign cotton by years 1933 to date

(Prices in cents per pound)

Year (beginning) Aug. 1	Sao Paulo, type 5 (Sao Paulo)	M* <sup>81/2</sup> (New Orleans)	Peruvian, Tanguis 5 (Lima)	M* <sup>12/16</sup> (New Orleans)	Ashmundi (Alexandria)	A. E. (farm price)	Oomra fine (Bombay)
1933.....	11.48	11.30	12.09	13.62	11.91	20.91	8.32
1934.....	13.84	13.01	12.79	14.96	13.54	21.80	9.85
1935.....	12.17	12.27	12.34	13.16	13.95	21.58	9.43
1936.....	12.95	13.72	14.26	16.01	15.46	27.78	10.08
1937.....	9.26	9.47	11.15	12.00	10.96	24.50	7.27
1938.....	8.42	9.17	8.52	11.62	9.92	18.68	7.57
1939.....	9.04	10.33	8.67	12.80	12.44	21.85	8.13
1940.....	6.91	11.27	7.74	15.41	<sup>5</sup> 11.92	30.03	6.62
1941.....	8.42	18.33	10.46	24.19	<sup>4</sup> Giza	31.87	6.69
1942.....	11.08	20.14	13.74	27.77	26.63	43.72	Jarilla fully good <sup>5</sup> 23.30
1943.....	<sup>8</sup> 13.15	20.77	16.56	28.64	28.75	46.55	18.80

<sup>1</sup> 5 months' average.  
<sup>2</sup> 9 months' average.

<sup>3</sup> 8 months' average.  
<sup>4</sup> 9 months' average.

<sup>5</sup> 11 months 19 days' average.

<sup>6</sup> 5 months' average.

<sup>7</sup> 7 months' average.

<sup>8</sup> 11 months' average.

Crop year	United States production, ginnings, running bales	Carry-over, running bales	United States consumption, running bales	Net exports	Foreign commercial production	World carry over, foreign cotton	World consumption, foreign cotton
1924-25.....	13,779,000	1,439,000	5,917,000	7,999,000	10,088,000	3,903,000	9,423,000
1925-26.....	16,008,000	1,504,000	6,176,000	8,045,000	10,562,000	4,568,000	10,158,000
1926-27.....	17,870,000	3,314,000	6,880,000	10,917,000	9,768,000	4,972,000	9,931,000
1927-28.....	12,710,000	3,663,000	6,535,000	7,529,000	10,386,000	4,809,000	9,836,000
1928-29.....	14,295,000	2,426,000	6,778,000	8,038,000	11,247,000	5,329,000	10,552,000
1929-30.....	14,539,000	2,130,000	5,803,000	6,675,000	11,535,000	6,024,000	11,854,000
1930-31.....	13,685,000	4,322,000	5,084,000	6,757,000	11,503,000	5,705,000	11,376,000
1931-32.....	16,693,000	6,263,000	4,734,000	8,707,000	9,602,000	5,832,000	10,361,000
1932-33.....	12,810,000	9,581,000	6,004,000	8,418,000	10,500,000	5,073,000	10,266,000
1933-34.....	12,593,000	8,081,000	5,553,000	7,531,000	13,354,000	5,307,000	11,822,000
1934-35.....	9,467,000	7,647,000	5,241,000	4,767,000	13,466,000	6,839,000	11,274,000
1935-36.....	10,367,000	7,137,000	6,220,000	5,971,000	15,646,000	6,031,000	15,026,000
1936-37.....	12,243,000	5,336,000	7,768,000	5,433,000	18,354,000	6,651,000	17,545,000
1937-38.....	18,267,000	4,387,000	5,616,000	5,595,000	18,333,000	7,460,000	16,778,000
1938-39.....	11,603,000	11,446,000	6,736,000	3,325,000	15,844,000	8,915,000	17,258,000
1939-40.....	11,376,000	12,956,000	7,655,000	6,191,000	15,993,000	7,501,000	15,610,000
1940-41.....	12,268,000	10,469,000	9,576,000	1,112,600	16,289,000	7,730,000	14,675,000
1941-42.....	10,542,000	12,026,000	10,974,000	( <sup>1</sup> )	15,573,000	9,244,000	13,362,000
1942-43.....	10,568,000	10,505,000	10,930,000	( <sup>1</sup> )	13,850,000	11,405,000	12,715,000
1943-44.....	11,128,000	10,569,000	9,828,000	( <sup>1</sup> )	14,750,000	12,246,000	

<sup>1</sup> Confidential.

(Mr. PACE asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Chairman, when we go back into the House I propose to ask unanimous consent to place in the RECORD some proposed committee amendments and explanations thereof. The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

## OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for the purposes of war and national defense;

(b) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(c) to promote production, employment of labor, and utilization of the productive capa-

city and the natural and agricultural resources of the country;

(d) to avoid dislocations of the domestic economy and of international economic relations;

(e) to discourage monopolistic practices, preserve and strengthen the competitive position of small business;

(f) to foster the wide distribution of surplus commodities to consumers at fair prices;

(g) to effect broad and equitable distribution of surplus property; and

(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

Mr. MANASCO. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Commit-

tee, having had under consideration the bill (H. R. 5125), had come to no resolution thereon.

## EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend as part of the remarks I made this afternoon a list of the universities, colleges, junior colleges, and normal schools that might benefit by the suggestions made by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to insert in the RECORD proposed committee amendments to the bill H. R. 5125 together with an explanation in connection with each amendment.



The **SPEAKER**. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The committee amendments referred to are as follows:

Page 32, before the period in line 6, insert "but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within such 30 days to dispose of such property otherwise than by destruction."

#### EXPLANATION

The above amendment is designed to prevent the destruction in the United States of any Government property, with certain exceptions, until public notice thereof has been given and an attempt made to dispose of it in some other manner. This provision by its terms does not apply to property, such as garbage, which because of its nature requires immediate disposal, or to property the expense or difficulty of the care and handling of which is such that its destruction is necessary or desirable.

#### AGRICULTURAL LANDS

Page 34, after line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired by the United States after June 30, 1940, which the Administrator deems suitable for agricultural use:

"(1) by affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to reacquire such land for his own use at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) if not disposed of as provided in paragraph (1), and if the Administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit."

Change the paragraph letters in the remainder of the section, and on page 39, strike out lines 1 to 12, both inclusive.

#### EXPLANATION

The above amendments, which should be considered together, are designed as a substitute for the matter appearing on page 39, lines 1 to 12, in order to make administratively workable the policy—

(1) of giving former owners of surplus agricultural lands an opportunity to reacquire their land at the same price for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in value as a result of action by the United States, and

(2) of disposing of agricultural land to other persons in family-size parcels.

The amendment accomplishes this objective by directing the administrator to be guided by this policy of Congress, to the extent that it is feasible and in the public interest for him to do so, in the formulation of his regulations governing disposition, rather than by attempting to specify in the statute that it shall be an inflexible rule governing all cases and that it shall be done in a specified manner.

Page 35, line 10, strike out "synthetic rubber or aluminum" and insert "synthetic rubber or aluminum, or for the transportation of petroleum by pipe line."

#### EXPLANATION

The above amendment is designed to place the disposition of petroleum pipe lines owned by the United States in the same category as the disposition of aluminum plants and synthetic rubber plants so owned.

Page 37, line 5, strike out "regulations with respect" and strike out lines 6 and 7.

#### EXPLANATION

The above amendment is an administrative amendment to make certain that the various Government agencies performing functions under the bill will have to act by regulations only in cases where regulations are appropriate. Thus, instructions to field personnel and other similar matters of internal organization and administration will not have to be dealt with by regulations and published in the Federal Register.

Page 38, after the period in line 3, insert "In the case of real property, the form of the deed or other instrument of transfer shall be approved by the Attorney General."

#### EXPLANATION

This amendment is designed to continue the policy in effect for many years of having the form of conveyance of surplus real property subject to approval by the Attorney General. The lands division of the Department of Justice is familiar with the requirements of the various State laws relating to conveying of real estate.

**Mr. MANASCO.** Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Louisiana [Mr. MORRISON] be permitted to extend his remarks in the RECORD.

The **SPEAKER**. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

**Mr. WHITTINGTON.** Mr. Speaker, in the revision of my remarks made today, I ask unanimous consent to include a table showing the various categories of surplus properties, and also to include an analysis of the bill as reported by the committee.

The **SPEAKER**. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

**Mr. PACE.** Mr. Speaker, I ask unanimous consent to include in the remarks I made today certain tables showing the production and export of certain agricultural commodities owned and loans made by the Commodity Credit Corporation.

The **SPEAKER**. Is there objection to the request of the gentleman from Georgia?

There was no objection.

**Mr. PATMAN.** Mr. Speaker, I ask unanimous consent to include in the remarks I made today two reports made by the Committee on Small Business concerning surplus property.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

**Mr. POULSON.** Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today, and to include immediately following my remarks in the Committee the proposed amendment which I intend to offer tomorrow; like-

wise a statement of how England is handling her surplus war material.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To **Mr. BRADLEY** of Michigan (at the request of **Mr. MICHENER**), indefinitely, on account of illness.

To **Mr. BURGIN** (at the request of **Mr. FOLGER**), indefinitely, on account of illness.

#### ADJOURNMENT

**Mr. MANASCO.** Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Thursday, August 17, 1944, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

**Mr. PITTINGER:** Committee on Claims. S. 1471. An act for the relief of Mrs. Eugene W. Randall; with amendment (Rept. No. 1761). Referred to the Committee of the Whole House.

**Mr. CHENOWETH:** Committee on Claims. S. 1501. An act for the relief of the Rau Motor Sales Co.; without amendment (Rept. No. 1762). Referred to the Committee of the Whole House.

**Mr. CHENOWETH:** Committee on Claims. S. 1572. An act for the relief of Frank Robertson, without amendment (Rept. No. 1763). Referred to the Committee of the Whole House.

**Mr. KEOGH:** Committee on Claims. H. R. 529. A bill for the relief of John W. Farrell; with amendment (Rept. No. 1764). Referred to the Committee of the Whole House.

**Mr. JENNINGS:** Committee on Claims. H. R. 1218. A bill for the relief of F. L. Riddle; with amendment (Rept. No. 1765). Referred to the Committee of the Whole House.

**Mr. CHENOWETH:** Committee on Claims. H. R. 1556. A bill for the relief of Archie Barwick; with amendment (Rept. No. 1766). Referred to the Committee of the Whole House.

**Mr. PATTON:** Committee on Claims. H. R. 3191. A bill for the relief of Lillian Hill, Savilla Eley, and Edna Booth; with amendment (Rept. No. 1767). Referred to the Committee of the Whole House.

**Mr. GOODWIN:** Committee on Claims. H. R. 3218. A bill for the relief of Enid M. Albertson; with amendment (Rept. No. 1768). Referred to the Committee of the Whole House.

**Mr. CARSON** of Ohio; Committee on Claims. H. R. 3302. A bill for the relief of Eleanor Parkinson; with amendment (Rept. No. 1769). Referred to the Committee of the Whole House.

**Mr. JENNINGS:** Committee on Claims. H. R. 3614. A bill for the relief of the Queen City Brewing Co.; without amendment (Rept. No. 1770). Referred to the Committee of the Whole House.

**Mr. JENNINGS:** Committee on Claims. H. R. 3630. A bill for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst; with amendment (Rept. No. 1771). Referred to the Committee of the Whole House.

**Mr. PITTINGER:** Committee on Claims. H. R. 3709. A bill for the relief of Harley A.



who led the fight for Federal aid to the school lunch program in the Senate, while I was one of those who worked so hard for this legislation in the House.

The members of the armed forces look upon me as their champion in Congress. While it is physically impossible for me to explain my accomplishments in this letter, I want you to know that I performed thousands of tedious tasks in getting word to parents about their sons who were either wounded or captured, straightening out and untangling thousands of allotments, aiding and assisting in securing trucks, school busses, farm equipment, machinery and a hundred and one other things of a similar nature. These were all extremely tedious tasks. However, they were of great benefit to you people. I shall continue in the future to do these things just as I have in the past.

By voting for and electing me in the first primary over my opponents, you will give me added prestige and power and I will be able to do even more for you in the future than I have in the past.

Feeling that my efforts, work, and records of achievement are deserving of another term, I am taking this means of asking you for your vote and support in my reelection on September 12.

Sincerely yours,

JAMES H. MORRISON,  
Member of Congress.

### Camp Bedilion

#### EXTENSION OF REMARKS OF

HON. P. W. GRIFFITHS  
OF OHIO

IN THE HOUSE OF REPRESENTATIVES  
Wednesday, August 16, 1944

Mr. GRIFFITHS. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a resolution of the Marietta (Ohio) Chamber of Commerce in appreciation of the naming of a training camp by the Navy Department of the United States of America honoring the memory of the late Commander Robert W. Bedilion, United States Navy:

Whereas the Navy Department of the United States of America, by naming the training camp at Port Hueneme, Calif., Camp Bedilion, honored the memory of Commander Robert W. Bedilion, a respected citizen of our city, who gave his life in the services of his country on September 7, 1943; and

Whereas the citizens of Marietta City, Ohio, are deeply appreciative of the honor bestowed in memory of Commander Bedilion, and justly proud of this deserved recognition: Therefore be it

*Resolved*, That the Chamber of Commerce of Marietta, Ohio, and on behalf of the citizens of the city, express to the Navy Department of the United States of America its sincere and grateful appreciation of the recognition given Commander Robert W. Bedilion; be it further

*Resolved*, That the Secretary cause a copy of this resolution to be forwarded to his Excellency, Franklin D. Roosevelt, President of the United States of America; to Hon. James V. Forrestal, Secretary of the Navy Department; and to Hon. P. W. Griffith, United States Representative from the Fifteenth District of Ohio, with the expressed hope that the same may be read into the CONGRESSIONAL RECORD; to Mrs. Martha Daker Bedilion, of Alexandria, Va., the bereaved wife;

to Augusta K. Bedilion, of Marietta, Ohio, the sorrowing mother, and that this resolution be spread upon the records of our organization.

Adopted May 12, 1944.

MARIETTA CHAMBER OF COMMERCE,  
GEORGE WHITE,  
FRANK J. MCCAULEY,  
D. T. SCHOONOVER,  
WILL P. MCKINNEY,  
A. A. SCHRAMM, *Chairman*.  
JOHN E. NORTHWAY, *Secretary*.

### Surplus Property Disposal

#### EXTENSION OF REMARKS OF

HON. WALTER G. ANDREWS  
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES  
Wednesday, August 16, 1944

Mr. ANDREWS of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following short article by Thomas P. Scanlan, editor of the Surplus Record of Chicago, Ill.:

Now that the greatest production job of all time is so nearly mastered, the task of redistributing the most tremendous surplus of materials, plants, and equipment the world has ever known confronts the American people. How it will be handled with the least possible effect upon our national economy has not yet been definitely decided. It is a problem that will tax the best brains in the land and even then the solution can only be arrived at through trial and error.

For a year Congress and other governmental bodies have been making surveys and studies of various plans which have been submitted by farsighted businessmen and associations who, while not relaxing in their efforts to speed our ultimate victory, have found time to give thought and study to the economic future of the country. Some idea of the amount of effort put into the surplus war property problem may be evidenced by the fact that more than 40 bills have been introduced into Congress containing plans for the disposition of war goods and equipment which must be absorbed by the public and industry or be dumped on the scrap pile.

The questions in the minds of business and labor and the farmer, too, are: How is the regulation for surplus disposal going to affect me? Will I be able to buy a jeep for 10 cents on the dollar? Shall I wait until the Government starts to sell off some of the billion dollars' worth of late-type machine tools to reequip my shop? This man expects to be able to buy modern machinery at one-fourth of what it would cost new. And there will also be with us the opportunist who expects to buy a completely equipped manufacturing plant for a song.

Well, from our observation post, nobody is going to steal anything from Uncle Sam this trip. Government and business are determined that this will not happen again—the promoter is persona non grata in all of the recommendations for surplus disposal which have been submitted. Self-interest groups have two strikes on them already.

Now let's get down to the practical way of looking at this job. We have called it "the greatest merchandising task of all time." Compared to selling \$15,000,000,000 worth of War bonds, the best securities in the world, the job of selling twenty-five billions or even \$75,000,000,000 (you guess) in merchandise—shoes and socks, needles and pins, bacon and

eggs, planes and tanks, lathes and planers, motors and generators, plants and buildings, and probably a million and one separate and distinct items which are ordinarily distributed by ten thousand and one industries and divisions of trade—becomes a surplus problem of colossal size. We repeat, it is the greatest merchandising task of all time.

Probably we are becoming too alarming, or these statements may sound like the proverbial cry of wolf, but we have observed during the past 25 years how difficult it is to dismantle and dispose of even a single industrial plant or auction off a hardware store without giving the stuff away. The time, market, publicity are all important factors.

We hark back to a war plant which was scientifically and intelligently dismantled and sold after World War No. 1. It was the largest munitions plant in the world in 1918 and cost Uncle Sam (that's you and I) \$90,000,000. This plant was practically new when the war ended. Within a square-mile area it contained the complete processing equipment and power plant necessary to manufacture powder from the base ingredients to the shipping containers. The people who handled the dismantling and disposal of this vast plant took some 10 years to finally dispose of all the equipment and buildings, and only some \$15,000,000 gross were realized after all this time. They were experienced people in this kind of work and spent thousands of dollars in advertising and research to seek out markets and in reconverting special equipment, in careful dismantling and the salvaging of every possible stick of lumber and nail. And after all of this time and effort, they were able to realize only a little over 15 cents on the dollar gross.

Ask any crane or boiler manufacturer or builder of chemical or electrical equipment how much it costs to sell his highly publicized new products and you will find out that the job of reselling a war plant is in no way comparative. In the first place, there is mental objection that the war-plant equipment is second hand; secondly, the buyer expects to purchase it at a fraction of the original price. Add to these facts the necessity of describing, cataloging, and dismantling the plant, cleaning and checking the equipment for broken or missing parts, and rigging it for shipment. Also, dozens of other obstacles arise because the machine did not come from the original builder.

This case is only one of thousands of plants which were not as successfully liquidated after the last war. One might say someone benefited by the bargains which were made available, but are we not still paying for the last war?

Probably you are saying to yourself after reading this preamble: "So what? What is this guy driving at?" Simply this: The United States Treasury has paid out some \$200,000,000,000 in gearing up for this war. Probably half of this sum has gone into plants, materials, machinery, and what not. Much of this is salvageable. If our surplus property agencies can recover for the Treasury 50 percent or only 25 percent of this money, even that represents fifty or twenty-five billions going back into the Nation's cash register.

We all know that this surplus disposal job is not one for boondogglers or amateurs. True it needs intelligent Government supervision, but most of all it needs careful planning, scientific marketing, economic control, test campaigns, advertising, selling by every single method and means which Sears, Roebuck, Marshall Field, General Motors, Warner & Swasey, A. & P., and other great concerns would use in merchandising their products or wares.

Every merchant and manufacturer in America should lend a hand in this gigantic



merchandising job and every merchant and manufacturer and engineer who puts his money and ingenuity into it should receive the proper compensation for his effort. The experienced foreign market experts should be consulted. The knowledge and background of the advertising expert should be counseled. The experience of the technical re-conversion engineer should be utilized. In fact, all who can contribute their brains or muscle to the beating of swords back into plow shares should be put to work as soon as the wheels of industry begin to hum in civilian production.

The responsibility lies primarily in the hands of those who have this vast job to do and it is up to industry and business to not only see that it is directed properly but also to take an active part in it.

It is an accepted fact that this Nation was built upon the system of free enterprise. If we hope to preserve it, business and labor will have to be vigilant. We mentioned just compensation for those who through knowledge and experience assist the governmental agencies in finding markets for war surplus. Even before our declaration of war, thousands of patriotic citizens gave freely of their time and energy to accelerate the production program. In the reallocation and disposition of the war surplus the Government will be placed in the position of competing with private enterprise. This makes it almost mandatory that if business contributes to the merchandising of these gigantic surpluses that it be justly compensated in dollars for the effort put forth.

In summation, who is better qualified to do this job than American businessmen. Most of them, large and small, learned through cold hard experience. The butcher, the baker, the department store operator, the automobile dealer, the machinery dealer, the merchandising counselor, the auctioneer, the mill supply man, and hundreds of others too numerous to classify are the people of whom we speak. Tell me where you will find a better group the world over who can handle this job more intelligently and energetically.

### Sound International Money

#### EXTENSION OF REMARKS OF

#### HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1944

Mr. WHITE. Mr. Speaker among the many informed and thoughtful people of this country that are devoting their attention to the solution of the international money problem we are indebted to two prominent citizens of the State of Iowa where there is no silver- and gold-mining industry to influence their judgment for the proposal of a sound monetary program embodied in the form of a resolution which is submitted herewith for printing in the RECORD. Mr. Titus is an able writer on the money subject and it will be my privilege to present further correspondence and articles by him on the international money issue:

SERIES OF WHEREASES AND SUGGESTIONS BY G. M. TITUS OF MUSCATINE AND EX-SENATOR VAN ALSTINE OF POCAHONTAS COUNTY, IOWA, ON THE POST-WAR MONEY PROBLEM

1. Whereas a sound monetary standard is essential to the stabilization and welfare of all people; and

2. Whereas for many years the world used both gold and silver as its basic money at a ratio of 16 to 1, with comparatively slight variation; and

3. Whereas England and the United States demonetized silver in the years 1870, 1873, and 1874; and

4. Whereas a cubic box forty feet in dimension could contain all the gold of the world at the present time, thus rendering inadequate the amount of gold to properly transact the business of the world and thus rendering it important for the world to return to international bimetalism; and

5. Whereas the emergency conditions of the world war have practically eliminated the traditional use of either gold or silver as a basis of monetary values; and

6. Whereas practically all the monetary gold is now held by the United States and a very few of the other nations; and

7. Whereas about three-fifths of the people of the world use silver for practically all ordinary business transactions; and

8. Whereas we believe that the use of both gold and silver is absolutely essential to the adequacy, safety, and stability of a well-balanced basis, for world monetary standard of values; and

9. Whereas the assistance given member nations renders it possible for member nations to acquire a surplus of products, the board of governors of the international bank shall, from time to time, warn all member nations of such possibility and thus avoid a decrease in price of any commodity and a resulting depression.

Now, therefore, we respectfully recommend for your consideration: That gold and silver be duly adopted and established as a basis for our monetary standard of value and that the relative content of each metal in the standard be determined by the present and prospective commodity value of said metals, and taking into account the anticipated effect of this act on such commodity values to the end that parity in the purchasing power of gold and silver be established;

That each participating nation shall certify to the international bank its established monetary unit, the amount and fineness of the gold and silver therein, and any prospective change in the content of such monetary unit shall be published and made known to the international bank at least months before such change shall take effect.

That in case any such participating nation neglects to give such notice of intention to change the content and fineness of such monetary unit, then the international bank may, at its option (or shall) notify such nation of such omission, neglect or failure, and inform such nation that unless the conditions and requirements of this act are fully complied with, the privileges and the connection with the international bank may, at the option of the said international bank, be withdrawn from such delinquent nation.

That any nation failing to maintain the amount of gold or silver in its metallic money as established by such nation and approved and published by the international bank, shall thereupon forfeit its membership in and all privileges of its connection with the international bank.

That said international bank shall maintain proper facilities for testing the gold and silver content of basic money offered by any nation and shall refuse to approve or accept any basic coinage not complying with the established standard of such nation.

The international bank shall be established on a nonprofit basis with the privilege of making only such charges as shall be necessary to cover the expense of properly conducting its business and provide for reasonable reserve for possible losses.

That if, in the judgment of the board of governors of said international bank, the time should come when a dividend could be

paid, all member nations should share in such proportion as their interest in the bank.

That the said international bank shall be authorized to change its ratio between the gold and silver content of basic coinage whenever such action is necessary to maintain monetary parity, and shall give member nations reasonable notice of such proposed change.

That any member nation may withdraw from said international bank on 6 months' notice at any time.

That in the opening of said international bank, gold shall be valued at — per ounce and silver at — per ounce.

### Urges Showing of Soviet Film of Kharkov Trials

#### EXTENSION OF REMARKS OF

#### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 16, 1944

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter sent by me to the Director of the Office of War Information:

AUGUST 8, 1944.

HON. ELMER DAVIS,  
Director, Office of War Information,  
Washington, D. C.

DEAR MR. DAVIS: The Soviet documentary film, "Justice Is Coming" (I am informed) is open for bookings in the United States. It is a documentary reproduction of the Kharkov trials in December 1943, when three German jackal Nazi officers and a Russian Quisling were condemned to death by hanging because of their torture and massacre of innocent men, women, and children in Russia.

It is a hard, grim picture.

In the final scene, the four guilty brutes swing from four gallows posts.

The demands for the showing of this picture of crime and punishment have arisen all over England. Englishmen are infuriated by the dreadful havoc caused by robot bombs. They seek retribution, and rightfully so. They wish to see this film. They see reflected therein their thirst for vengeance.

At the film's inception there is quoted words by Stalin, as follows: "We shall bring the German criminals to book." And the promise is performed. There are shots of burning Russian villages and devastated cities, and of the charred bones of dead children. Interspersed between pictures of rape, rape, and plunder by Nazi monsters are such shrill phrases as "Be ye accursed, ye murderers."

The prisoners confess at the trials. They admit the gas-filled vans by which they suffocated their victims, the truckloads of children shot and then kicked into mass burial pits. The audience cheers the verdict of death as well as the springing of the nooses.

This is the type of cinema we need in America. It is horrible, maybe sickening, yet necessary to arouse placid Americans out of their complacency with regards Nazi atrocities. They probably have heard of so many that their feelings have become numbed.

Many of us remember the last time. We then called them "Huns." We vowed to set up atrocity courts. We made direful threats to bring all the Boche guilty of heinous crimes to trial. Teddy Roosevelt here, Lloyd







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 130

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 18, 1944, for actions of Thursday, August 17, 1944)

(For staff of the Department only)

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HOUSE

1. PROPERTY MANAGEMENT. Continued debate on H. R. 5125, providing for the disposal of surplus property (pp. 7122-47). Agreed, 70-57, to Rep. Gale's amendment to strike authority for appointment of assistantssand experts without regard to civil-service laws and the Classification Act of 1923, after rejecting Rep. Cochran's perfecting amendment to strike out only the words "and the Classification Act of 1923" (pp. 7130-5), and, 70-49, to Rep. Patman's (Tex.) amendment providing for the appointment of "a sales and distribution advisory board.f:for each class of property", as amended by Rep. Vory's (Ohio) clarifying amendment, after rejecting Rep. Whittington's (Miss.) substitute amendment (pp. 7135-43).

Rejected the following amendments: By Rep. Poulson, Calif., 76-110, to provide that the SWPA shall be under a board rather than under an administrator (pp. 7123-7); by Rep. Church, Ill., 28-61, to strike out the 2 year limitation on the term of the SWPAdministrator (pp. 7128-30); by Rep. Church, 58-89, to provide that the Administrator may be removed at the will of the President (p. 7130); by Rep. Jensen, Iowa, to provide for the appointment of a special Congressional committee to keep "in close touch with the Administrator and the administration of the act and to keep Congress properly informed" (p. 7130); and by Rep. Church, Ill., to strike out the requirement that the Administrator shall submit to Congress copies of the regulations prescribed by him within 30 days after the publicationof such regulations in the Federal Register, after rejecting Rep. Scrivner's (Kans.) substitute amendment providing that no regulation shall go into effect until approved by the Senate and House committees having such jurisdiction (pp. 7144-7).

PERSONNEL. Received from this Department copies of requests to the Budget Bureau for revisions of personnel ceilings, affecting specific administrations, bureaus, and offices. To Civil Service Committee. (p. 7147.)

ITEMS IN APPENDIX

PROPERTY MANAGEMENT. Speech in the House by Rep. Miller, Conn., favoring his amendment to H. R. 5125, (providing for disposal of surplus Government property) which would give preference to servicemen who would like to purchase jeeps, etc. (pp. A3913-4).

Extension of remarks of Rep. Miller, Nebr., urging appointment, by the President, of a commission composed of capable men to manage the disposal of surplus property (pp. A3919-20).

Extension of remarks of Rep. Dilweg, Wis., including a Washington Post editorial, favoring administration of this law by a board of men, rather than by one administrator (p. A3920).



4. TRANSPORTATION; FARM-TO-MARKET ROADS. Speech in the House by Rep. Stefan, Nebr., urging post-war construction of farm-to-market roads in order to provide the rural areas with highways which can bring quickly to market agricultural commodities (pp. A3914-5).
5. COOPERATIVES. Rep. Voorhis, Calif., inserted two statements by the National Council of Farmer Cooperatives, "The Truth About Farmer Cooperatives and Taxes" and "Shall the Family Farm Be Preserved" (pp. A3923-4).

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

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United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 78<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, THURSDAY, AUGUST 17, 1944

No. 130

## Senate

The Senate was not in session today. Its next meeting will be held on Friday, August 18, 1944, at 12 o'clock meridian.

## House of Representatives

THURSDAY, AUGUST 17, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, of all friends the nearest, of all teachers the wisest, of all helpers the most willing and able, Thou hast watched over us during the night and brought us to a new day, laden not only with joys that cheer us and trials which teach us to put our trust in Thee but above all with so many opportunities to make life less difficult for struggling humanity and securing for it the blessings of peace and happiness.

May we now approach Thy throne of grace and mercy with great expectancy, for none have ever been repelled or sent away empty. Fill us with the humble spirit and the contrite heart, for we are coming unto Thee with those things that we cannot leave behind: our faults and failures, our fears and anxieties, our problems and perplexities, and our many sins and transgressions which Thou art ready to forgive and remember no more against us.

Grant that during these days of crisis and destiny we may have the vision to see that all our plans and purposes, all our decisions and actions must be implemented with those great spiritual dynamics which Thou hast ordained and placed at our disposal if we are to be worthy followers of those God-fearing men whom Thou didst lead in the long ago in the building of a nation conceived in sacrifice and dedicated to Thy service.

To Thy name we shall ascribe all the praise. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

THE LATE RICHARD P. FREEMAN

Mr. McWILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McWILLIAMS. Mr. Speaker, it is my sad duty to inform the Members of the House that the Honorable Richard P. Freeman, who represented the Second Congressional District of Connecticut from 1914 to 1932, passed to his reward in July of this year. Many of you here who served with the distinguished gentleman and were his friends will, I know, regret to learn of his passing.

To those of us who knew him and shared his friendship, his death carries with it the deepest sense of personal loss. His personality and his sincerity endeared him to all who knew him.

Mr. Freeman was widely known and esteemed in Connecticut. His long term of office in Congress was an eloquent testimonial to the high quality of his services as a legislator. He was ever a friend of the needy, and many a veteran of the Spanish-American and First World Wars had him to thank for his assiduous attention to their needs. He had qualities of mind and heart which made him especially valuable to his constituency and to the Congress.

Our deepest sympathy is extended to the family of the late Congressman Freeman.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we Members on this side of the House who served during the twenties join the gentleman from Connecticut [Mr. McWILLIAMS] in his splendid tribute to our former colleague, Mr. Freeman.

He was one of the first men I met when I came to Congress in 1921. During that session and the succeeding sessions of Congress, we experienced some of the most terrific parliamentary battles that ever took place in this body. Parliamentarily speaking, in those days there were giants upon the earth. Probably no legislative body ever had a greater parliamentarian than Jim Mann, of Illinois. We never had a greater one on our side, certainly in my day, than Finis Garrett, of Tennessee. There were numerous others who were able, not only in parliamentary tactics but in debate as well.

I remember very distinctly that one man who always challenged the admiration and the respect of the Members on our side of the House was the distinguished gentleman from Connecticut, Mr. Freeman.

It is unfortunate that men who serve here with such distinction are given so little notice when their time comes to "shuffle off this mortal coil." I just wanted to go on record as paying my humble tribute to the memory of a most worthy American, and to say at this point that the Members on the Democratic side who served with Mr. Freeman regarded him as a patriot without reservation, a gentleman without pretense, and a man without guile.

We all join the gentleman from Connecticut [Mr. McWILLIAMS] in expressing our profound regret at the news of his passing away.



## EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by Col. Herman Beukema, professor of economics, government, and history, of the United States Military Academy at West Point, upon the occasion of the one hundred and twenty-fifth anniversary of the founding of Norwich University on August 6. I have not been able to contact the Public Printer to see whether or not this address will exceed the amount of space allowed under the rule, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DILWEG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two statements by the National Council of Farm Cooperatives.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very interesting article entitled "Must Extend Old-Age Pay," which appeared in the Boston Sunday Post of August 13.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. NEWSOME. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Atlantic Monthly in support of House Concurrent Resolution 68.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

## PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include a sermon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GROSS addressed the House. His remarks appear in the Appendix of today's RECORD.]

## FARM-TO-MARKET ROADS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. STEFAN addressed the House. His remarks appear in the Appendix of today's RECORD.]

## EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the Rochester (N. Y.) Democrat and Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.)

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made yesterday in the Committee of the Whole and to include an editorial from the Hartford Courant.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

## CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 110]

Anderson, Calif.	Boren	Carrier
Bates, Ky.	Bradley, Mich.	Chapman
Beckworth	Buckley	Clark
Bell	Bulwinkle	Clason
Bloom	Burgin	Coffee
Bolton	Capozzoli	Cole, N. Y.

Costello	Hébert	O'Konski
Courtney	Heidinger	O'Neal
Curley	Hess	Patton
Davis	Hinshaw	Peterson, Fla.
Dawson	Hoch	Peterson, Ga.
Dies	Hoffman	Phillips
Dirksen	Holmes, Wash.	Pittenger
Douglas	Howell	Price
Durham	Hull	Richards
Dworshak	Johnson, Ind.	Robinson, Utah
Elliott	Johnson,	Robson, Ky.
Elmer	J. Leroy	Rockwell
Elston, Ohio	Johnson,	Russell
Engel, Mich.	Lyndon B.	Sadowski
Fay	Johnson, Ward	Sauthoff
Fellows	Kefauver	Scanlon
Fernandez	Kennedy	Scrivner
Fitzpatrick	Kerr	Sheppard
Ford	King	Sheridan
Fuller	Klein	Sikes
Fulmer	Knutson	Smith, Va.
Furlong	Landis	Smith, W. Va.
Gallagher	McCord	Smith, Wis.
Gearhart	McCormack	Sparkman
Gibson	McLean	Stanley
Gilchrist	Maas	Stevenson
Gorski	Magnuson	Stockman
Grant, Ala.	Mansfield,	Sullivan
Grant, Ind.	Mont.	Talle
Green	Mansfield, Tex.	Taylor
Griffiths	Merritt	Treadway
Gross	Monroney	Vincent, Ky.
Hagen	Morrison, La.	Vinson, Ga.
Hall	Mruk	Welch
Edwin Arthur	Norton	Wilson
Harless, Ariz.	O'Connor	
Hart	O'Hara	

The SPEAKER. On this roll call 308 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

## DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the House adjourned yesterday the Clerk had completed the reading of section 1 of the bill, page 24. The Clerk will now begin reading the bill on page 24, section 2.

The Clerk read as follows:

## DEFINITIONS

SEC. 2. As used in this act—

(a) The term "Government agency" means an executive department or independent agency in the executive branch of the Federal Government, and any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the Government agency having control of such property otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 8 of this act to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of



the owning agency in accordance with section 6 of this act.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by or under the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "Administrator" means the Surplus Property Administrator.

Mr. POULSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. POULSON: Page 25, strike out lines 20 and 21, and insert: "(j) The term 'Board' means the Surplus Property Board created by section 3."

Mr. POULSON. Mr. Chairman, the issue is merely whether or not we are to have a board or one administrator. In section 3 is where we will designate, in the event that this amendment passes, the type of board. In other words, the issue at this time is not the type of board we are going to have but strictly whether or not we are going to have an administrator or czar or we will have a board of administrators. The question resolves itself definitely upon that issue and not upon the particular type.

As I stated yesterday and as others brought out in the debate, this particular administrator is going to be as powerful and have as much power and influence as the President of the United States. In fact, when we stop to think that there will be, according to the estimates, at least \$60,000,000,000 worth of property in foreign lands which will be definitely under his supervision, we find that he will have as much power and influence, in fact more than the so-called Senate Foreign Relations Committee as far as peace or anything in connection with foreign relations is concerned.

Of this \$60,000,000,000 we find that \$13,000,000,000 is composed of military supplies. That in itself could influence or could have a very material effect in many ways upon the settlement of the peace terms. In fact, it could help one nation to carry on a war. We have \$8,000,000,000 of potential civilian goods, \$26,000,000,000 of aircraft and \$10,000,000,000 in maritime ships. Here at home there will be approximately \$52,000,000,000 involved, of which \$16,554,000,000 will include plants, machinery, and equipment to be disposed of, which can definitely affect the economy of this country. Then we can figure that there are close to twelve or fourteen billion dollars in consumer goods which will go immediately into the channels of trade and, bearing in mind that the average normal

consumption retail sales is only \$4,000,000,000 a month we can readily see what influence and effect that will have on our economy; yet we are putting all the powers and the policies to be in the control of one administrator.

The question of the type of board is an entirely different problem. The question we must decide in connection with this amendment at the present time is whether or not, I again state, we are going to have it within the control of one man or within the control of several members of a board.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Under the board as proposed would be an administrator carrying out the executive functions of the office; is that not true?

Mr. POULSON. That could be true. There could be several types of boards. We have to decide at this time whether we are going to have one man or have an administrator with an advisory board or an administrator with others who have the power to determine what the policies shall be. The particular formation of that board will be determined in the next section. At this time we have to decide once and for all whether or not we are going to have a board. The issue we are bringing up now is whether there will be an administrator or a board.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes in which to discuss this proposed board proposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Michigan.

Mr. MICHENER. I appreciate that what the gentleman says is absolutely correct. "Board" does not mean anything unless we know what this board is to be composed of.

Mr. POULSON. The board which I am suggesting and offering in my amendment to the next section will be a board composed of seven members—a chairman, two members with a background and experience in business, industry, and merchandising, two with a background and experience in agriculture, and two with a background and experience in labor, realizing that this is not entirely a matter of merchandising. We must remember that it will also affect the economy of the consumer, therefore labor is vitally interested. It will also affect industry because industry is definitely interested in this matter. The manufacturers will also be affected and it will also be a matter of vital concern and interest to those in the merchandising business.

This board will consist of men with that particular background and with their viewpoints. Then, as we all know,

with their experiences and with their backgrounds they will be able to approach this most vital problem with a much better viewpoint and a broader outlook than one man, especially when we take into consideration the vast amounts representing billions instead of millions.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Illinois.

Mr. MASON. In spite of the fact that that board is to be composed of different types of individuals, to determine policy, yet that board would have to have one single Administrator or an executive to carry out those policies.

Mr. POULSON. As I understand it, the Administrator establishes the policy, the rules and regulations, by which the disposal agencies will dispose of these particular goods. While he is not an administrator, as far as carrying out policies in a big department, he is an administrator who is to establish the policies and rules and regulations and would be different than in many departments that we now have.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from California.

Mr. VOORHIS of California. I am very much interested in the gentleman's amendment, and I propose to support it on the ground it seems to me that the vastness of this job and the crucial importance of it to all segments of the American people is just too great to leave in the hands of one individual. Is this not correct, that the Congress is setting up policies in the act, so far as it can—at least we hope those policies will be very clear in the act—but the purpose of the board is primarily to be responsible for seeing to it that those policies that the Congress has laid down in the legislation are followed, and not to interfere with the Administrator in the actual carrying out of his duties as the Administrator, which he will be, and to exercise a general supervision in the public interest to see that the will of the Congress is carried out, and get a broader representation from the American Nation at the head of this agency.

Mr. POULSON. I think that is very well expressed.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I am confused as to how to vote on this matter. I do not know who is behind this move. How much are you going to pay them? Have they not shaken the plum tree already? Are there any left?

Mr. POULSON. We are discussing what would come under section 3, but may I again state that we must decide right now on the principle of whether there is to be a board. Remember that there will be many amendments offered as to the selection, the term of office, the salaries paid, the number of members, what they should represent, and the like. But we have to decide at this very moment whether or not there will



be a board or whether or not there will be just an administrator. We must not be confused, and this issue must not be decided on the basis of whether or not you like the type of board which I am suggesting, because that is entirely an issue which will be decided under the next section; that is, as to the type of board.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committees of both Houses that considered this matter went into this question very thoroughly. So far as I know, all of the committees felt that an administrator and not a board could dispose of this property to better advantage to the Government and at the same time protect the domestic economy.

We considered a bill just a few weeks ago to provide for the termination of contracts. The Manufacturers Association advocated an administrator. That same association sent a representative before our committee and advocated a board to handle the disposition of surplus property. I asked that gentleman why they suggested an administrator in connection with the termination of contracts, calling his attention to the fact that the administrator would be a czar; that the Congress of the United States had refused to let the Comptroller General enter the picture unless there was fraud; in other words, the decision of that Administrator in connection with the termination of contracts, a matter which is going to involve billions of dollars, is final.

You have an Administrator carrying out one of the most important laws that we have, laws that affect the veterans throughout this country. Is there a man or a woman in this House that is willing to say now that they would change that set-up for a board? You have an example in this morning's paper of what happens with a board. You have a Board of Commissioners of the District of Columbia. Read this morning's paper. They cannot agree as to whether there should be one or two bridges over the Potomac River.

This morning's paper says that they are going to dump the question into the lap of the President to decide. Just imagine taking a question of that kind to the President of the United States in a time such as this when he does not have a minute that he can call his own. You are going to find that same condition existing if you set up a board to dispose of this property. You are going to be compelled to delegate a great deal of power to this Administrator. Let one man be responsible to the Congress rather than a board. If you set up a board, it will be the same way with the advisory committee. Everybody will want to be represented on that board.

This board will consider and the Administrator will consider. I say that it is a grave mistake for this Congress to set up a board to handle the disposition of this surplus property. I hope the amendment is voted down.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Virginia.

Mr. ROBERTSON. An old Virginia farmer, successful in the handling of boys, used to tell me one boy is a boy; two boys is a half a boy; three boys is no boy at all.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am greatly confused in making decision on this question. Every argument has two sides. There is a very serious question involved here. I facetiously spoke about the plum tree probably not having been exhausted at a time before an election. If we have seven members on the board at \$12,000 a year, that sort of a set-up becomes rather important. Are we satisfied with the O. P. A. method of hiring one Administrator holding office at the pleasure of the President? Somehow two or three Administrators of the O. P. A. who headed it as a one-man organization found their way out of trouble rather easily. Dissatisfaction with them proved effective. Perhaps the perishable fruit people and many others were not satisfied with their decisions and other complaints were effective. Are you hopeful that there will be seven men representing different regions of the country selected for this board? I cannot understand the overenthusiasm of some of these people who have spoken about this bill. I am trying hard to understand it. There must be a reason for it. There seems a certain expectation or hope or belief or assurance that at least certain conditions and policies now followed will be continued. Those having this overenthusiasm seem to favor no definiteness of direction be given to the Administrator. This bill is just a statement of policy. You have an advisory board of other governmental agencies. The United States Chamber of Commerce has advised you that that is not satisfactory at all; that the economic phase of the business of this Nation shall be well represented on this board. Of course, if you are to have a board, it ought to be one of that sort.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. POULSON. Is it not true that the distinguished gentleman from Missouri [Mr. COCHRAN] was a member of the Committee on Expenditures in the Executive Departments when it voted out a surplus property disposition bill before Mr. Clayton came into the picture? At that time the committee recommended a board.

Mr. GIFFORD. I cannot recall it, but I take the gentleman's word for it.

Mr. CHURCH. Yes; that is true.

Mr. GIFFORD. This is a serious matter. Will you or will you not be better protected and represented in your various sections of the country by someone selected from that section? Again, about this overenthusiasm of the committee. This committee have finally laid an egg, have they not? Their first egg, and that may account for the enthusiasm of some members of the committee that they have finally done something.

Mr. CHURCH. The egg that they laid is a much bigger egg than that laid last June.

Mr. GIFFORD. Yes. The Committee on Expenditures is supposed to criticize expenditures, be watchful of expenditures, and make recommendations to the House, but it has not been allowed to work on those lines. You have heard me say this many times. This bill is not so much a matter of watching expenditures but is really the Colmer bill. It is a post-war bill sent to this committee because of the necessity of proceeding through a legislative committee.

I do not believe I should be criticized for not talking enthusiastically on either side of this proposition. I think it is our duty rather to weigh both sides and present the arguments to you.

I suppose the President would appoint this board. Would he not, may I ask the gentleman from California [Mr. POULSON]?

Mr. POULSON. Yes; subject to confirmation by the Senate.

Mr. GIFFORD. He has already appointed the Administrator.

As a Republican I should not complain, and I am not, but on this eve of events to come I would not like seven men representing one particular thought, six of whom would be appointed to obey the one, and pledged to that before they were appointed. I think that before they were appointed they would be carefully considered, as to their willingness to work fully in harmony with the Administrator.

I express my doubts and my fears, as I often do, and reserve the right to vote after consideration of the merits of the arguments to be presented.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is rather embarrassing for me, who authorized the first bill on April 15, 1943, and other bills in support of the disposition of war plants and lands in July 1943 providing for the establishment of a board, to get up and oppose this amendment at this time. We held some hearings on one of our bills, H. R. 3140, providing for the disposition of war plants. At that time we could not get anyone to appear before our committee except one group who approved the appointment of a board. Everyone else said that if we wanted to move this surplus property when the war was over we must leave the discretion in one man, one man who would be responsible to the Congress and the Nation. Up until about 8 or 10 days ago we were not able to find much enthusiasm for a board.

If I were to be selected to dispose of this surplus property, I would rather have a board myself to take some of the heat off me. But we all realize that a board works slowly. A board would be more subject to local pressure, subject to certain pressure groups. If you were to select representatives of industry on the board and representatives of the public and representatives of labor, you could not have over two from each group, and if you had only two you could never get any agreement.

We all recall the cumbersome manner in which our war production started off when we had authority divided between Mr. Knudsen and Mr. Hillman. We stumbled through that all right, for-



tunately, but we realized in time the importance of selecting one man to have authority over our war production.

Our committee did not have time to hold hearings. We were pressed by the country to get this bill up for consideration and passed at the earliest possible date. Most of you Members want to get back home and do some campaigning. In the brief hearings we held we did not have an opportunity to delve into the problem of a board.

It would be natural, if you appointed only two industry representatives, that they would represent only two different industries. Suppose one of those members represented the automobile industry. We will have an enormous amount of motorized equipment when this war is over. That member naturally would not want to see any of this motorized equipment flow into the channels of trade, where it would compete with him.

Suppose we appointed a representative of the Automobile Workers Union. He would naturally join with the automobile magnate who was a member of the board in opposing the infiltration of this motorized equipment into trade, because he would want to have jobs for his workers.

Unless we have authority placed in one man, we are liable to find a lot of stock piles held off the market by some selfish groups. I am not charging that any particular group would do that, but it is human nature for a man to protect his own industry.

This thought occurred to me this morning. You have heard a lot of people say that we need unemployment insurance for the next 2 years. I think the next 2 years will probably be the brightest years we will have for the next 10 or 12 years. If we ever need any unemployment insurance, it will probably be after 2 years from now, after our domestic needs have been filled. I think in the next 2 years or the next 4 years the industrialists will be trying to keep their heads above water and will not have time to serve on boards.

I know there are good arguments on both sides of this question, but I sincerely trust the committee will see fit to vote down the amendment.

Mr. BENDER. Mr. Chairman, I move to strike out the last two words.

The disposal of the vast quantities of goods which our Government has accumulated in its preparations for victory must not be permitted to disturb our economic structure. We must recognize that the disposition of this surplus of \$75,000,000,000 worth of materials represented by manufacturing plants, machines, war matériel, and other materials, must be viewed as part of the entire industrial demobilization program. It should be obvious that the method devised must transcend group interests. This is not a problem affecting industrial leadership alone. The consuming public and the general taxpayer are equally interested in the procedure evolved. Small businessmen are deeply concerned over the possibilities presented.

Certainly, under our economic order, plants now owned by the Federal Government should not be permitted to operate in competition with private industry. It

should be equally clear that methods must also be devised to prevent the flooding of American markets by competitive foreign products while we are simultaneously disposing of our own surplus goods.

From this analysis of the situation it must be evident that the task of supervising the disposal of these vast surpluses must be undertaken by a nonpartisan group in which adequate representation is given to each segment of American life. Agriculture, labor, industry, and consumer groups must be represented along with the Government itself.

The confusion which has already manifested itself in the consideration of this problem is only another indication of the failure of the present National Government to present an over-all program for the conversion of our national economy from a war to peace time basis.

The chairman of the surplus war property committee of the National Association of Manufacturers, Mr. Charles F. Stilwell, also president of the Warner-Swazey Co., of Cleveland, appeared before our committee to urge the appointment of a commission for the disposal of this property. The National Association of Manufacturers includes representatives of every important industry in America. The National Chamber of Commerce has presented us with a statement urging the substitution of a commission for an administrator. It seems to me that their argument, which was given to every Member of this House and every Member of the other body, is sound. I hope that every Member will consider what they are doing here in creating a czar for the disposal of all of this property. You are giving one man greater power than has been granted to a nonelective official in all our history. That man will have the authority to dispose of anywhere from \$50,000,000,000 to \$125,000,000,000 worth of property; and that is not peanuts. Property consisting of farms, plants, machinery, equipment, food, clothing, and so forth. One man cannot know all the answers. Each of us has had our own individual experience and background. Unless we get advice and guidance from some source, we cannot always act wisely. This morning's Washington Post contained an editorial urging the appointment of a board rather than an administrator.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENDER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. The persons who have considered this, those who represent large investments and those who represent labor, and the farmer, have all urged that we appoint a commission or a board in the place of one man.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to my distinguished friend.

Mr. VORYS of Ohio. I understand that the American Federation of Labor

had formerly recommended a board rather than a single administrator; is that correct?

Mr. BENDER. I am sure the gentleman is correct in that, although I do not have their statement here before me.

Mr. VORYS of Ohio. The whole theory of making Mr. Clayton the one indispensable man is this new theory which has come into our Government. As I understood it, we only had one indispensable man in this country, and Clayton was not the man.

Mr. BENDER. I remember so well the day that we voted on the Pentagon Building here. We voted an appropriation of \$35,000,000 and it was stated on the floor of this House that that was all that would be required. We found, because we gave the President a special war fund to use, that the amount expended went up to \$70,000,000 or more. We will have that white elephant on our hands after the war is over. The question is, What will be done with it? And there are plenty of other white elephants all over the country that the Administrator will have to dispose of. I urge the membership of the House to exercise the utmost care in what we do today. You will have an opportunity in a little while to vote on this question. This is what the chamber of commerce has to say:

The Chamber of Commerce of the United States believes that a procedure of orderly and efficiently administered handling of war surpluses is the only one which can be countenanced in contemplation of the magnitude of such surpluses and the great need that will exist for the prompt resumption of civilian production. These surpluses must be so demobilized as to preserve the stability and productivity of the national economy and avoid unnecessary interference with the maintenance of a high level of private employment.

In view of the foregoing considerations the national chamber attaches great importance to any legislation to be enacted by the Congress. The chamber has given long and careful consideration to the subject. Its recommendations were developed by a large and representative committee of business and industrial executives following many months of study and discussion.

#### INDEPENDENT AGENCY

The chamber recommends that responsibility for (1) the interpretation of the policies laid down by Congress in the legislation; (2) the promulgation of procedures to be followed in disposal; and, (3) general administrative action based upon these policies and procedures should be the responsibility of an agency outside of any executive department of the Government and responsible to Congress in the carrying out of the will of the Congress. The problems that will be confronted in surplus property disposal when hostilities cease will be so complex and have such far-reaching effects upon the domestic economy that nothing short of such an independent agency will meet the needs of the situation. The agency recommended by the chamber would be a commission of seven full-time members to be nominated by the President and approved by the Senate.

The importance of providing an independent commission to handle the disposal of surplus war property rather than a single administrator within the executive branch of the Government may be illustrated by reference to the problems that will arise in connection with the disposal of great Government-owned war plants. There will be



hundreds of such plants, each of which cost the Government many millions of dollars. Pressure from any source for the utilization or disposal of a war plant in a manner which is not in accord with broad public interest must be resisted. Decision must rest upon the findings revealed by carefully prepared reports devoted to the economic and engineering factors involved. It is the belief of the chamber that an independent commission constituted as described is the agency which will give the best assurance of unbiased and competent decision.

The placing of the authority in an independent commission does not carry with it a requirement that every administrative decision must depend upon and await the affirmative vote of the seven members. In the execution of its functions as a policy-making body, the commission would act as a unit. With respect to the sale of the great war plants the commission also would act as a unit. With respect to most administrative matters, however, the chairman would be authorized to act upon his own responsibility. He would be empowered also to delegate administrative authority through the designation of certain already established Government departments as disposal agencies.

An advisory board to be composed of representatives of designated Government departments and agencies would not be a satisfactory substitute for the commission which the chamber recommends.

The members of such a board would be officials concerned with the operating problems of their particular departments and thus, in most cases, out of intimate touch with the problems of industry and trade in a peacetime economy. Moreover, the department representatives would devote but a small part of their time to the matters laid before the advisory board. In short, there would be no assurance that such an advisory board would be composed of persons adequately equipped for the rendering of the sound advice that would be needed on the solution of difficult economic problems.

It is recognized, however, that there would be a place for such a board composed of representatives of Government departments. Such a board would serve a very useful purpose in connection with the establishment of administrative procedures.

Now, the only advisory board provided for in this bill consists of members of the President's Cabinet. The members know we have had one-man government in this country.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MOTT. What kind of an agency, except an executive agency, could there be to administer a law of Congress? It would make no difference, so far as the authority is concerned, whether it was an existing agency or whether it was a newly created agency: It would be an executive agency in any event. Does the gentleman mean it simply should not be an agency which already exists?

Mr. BENDER. I am for the amendment offered by the gentleman from California.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BENDER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. I am for the amendment as offered by the gentleman from California [Mr. Poulson]. In that amendment he provides for a board of seven members, and that board, of course, will be appointed by the President. Seven men appointed with the advice and consent of the Senate, of course. This power to be given to one man is out of line with the sentiments expressed on this floor in recent months regarding the granting of too much authority during peacetime to any one individual. I believe that is a sound doctrine. During wartime we have suspended this practice.

But here we are dealing with a peacetime proposal.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. WHITTINGTON. My colleague the gentleman from California [Mr. Poulson] referred to the Surplus Property bill passed by the House a year ago and inadvertently stated that that bill provided for a board. The director of the Budget was director instead of administrator, under the terms of that bill. I have a copy of the bill before me. I am sure, with the gentleman's permission, that my friend from California had in mind that that bill provided for the appointment of a board or a committee to study the surplus-property question, rather than to provide for an administrative agency called a board.

Mr. BENDER. My understanding is, however, that the Congress has something to say about the Director of the Budget and some of these other agencies regarding their operations. Naturally the Congress has a great responsibility here, and we owe it to our constituencies to see to it that we act wisely in the handling of all these items that affect the economy of our own immediate communities. The people with whom I have talked in my district within recent days are very apprehensive about creating a czar as is provided for in this bill. It has been advanced here that Mr. Clayton, a gentleman whom I do not know, will be appointed Administrator. I do not know the gentleman. He may be the finest man in the world. I have no criticism of him. I do not know anything about him except what my colleague from Massachusetts [Mr. Gifford] referred to yesterday in his handling of the cotton question in South America. Other persons have been suggested. Mr. Maverick has been suggested, and Mr. Harry Hopkins and Vice President WALLACE were suggested as possible Administrators under this bill. It remains for the President to determine who the Administrator shall be.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. CHURCH. When we were considering the contract-termination bill we were given to understand that Mr. Hancock would be the man appointed when that law was passed. That has not been done. Is that not a fact?

Mr. BENDER. Many times before we have discussed individuals and we have

had someone in mind and we found that some other individual was named.

I hope the amendment offered by the gentleman from California will be agreed to.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the substance of this amendment is fundamental. I really believe it is premature to consider it under "definitions," before we decide upon the establishment of a board. I believe a board, if desired, which I oppose, should be established before it is defined.

So now we are in the dark. But I speak to the issue.

I believe the gentleman from Illinois [Mr. ALLEN], in a question which he propounded, put his finger on the core of the problem. The gentleman said if a board is provided for, ultimately it would have to have an administrator in order to function. And that is true. I think we have had enough of boards and enough of commissions. An administrator is an executive. We vest power in him. We hold him responsible. One man for President. One man for Governor. The power of life and death vested in the chief executive of a State. One man, as the chief executive of every important banking, industrial, agricultural or other organization in the United States. We have tried commissions in the Government. We have the Interstate Commerce Commission. We know the name of the Chairman. If there be delays, who is responsible? It requires a majority to act. We have had commissions. The Tennessee Valley Authority, with divided responsibility. Troubles and delays occurred. We know the name of the Chairman. Who are the other two members of the Authority? In reaching decisions there must not be divided responsibility. We vest in the Administrator a great deal of power. We have restricted it by objectives and by policies. If we vest in General Eisenhower the lives of the men of the Nation, we have vested him with tremendous power. But, shall that power be denied him because, perchance, he might make mistakes? We have vested the President with great power. It is essential to the functioning of the Republic. We are at war. The purpose to provide for the disposition of surplus property is that following the war we shall return to the ways of peace as soon as possible. Decisions must be reached promptly. A divided authority means no authority. Divided responsibility means no responsibility.

I should like to emphasize the fact that in the bill which we passed in June 1943 providing for the disposal of surplus property we placed the matter in the hands of a director. That bill is pend-



ing in the Senate. In my judgment, unless we mean to hamper, unless we mean to delay, unless we mean to prevent the disposal of property, as in my judgment some of the agencies that are asking us to provide for commissions would like for the Government to do, we should vote down this amendment and provide for an administrator with responsibility and hold him accountable for that responsibility.

I know there are organizations with wide influence that are asking for a board, and between the lines, as just an ordinary citizen, I think that they expect their representatives to be appointed on the board. In my judgment, we must recognize industry, agriculture, manufacturing, labor, commerce, and the public. Who are you going to appoint from agriculture? If you appoint a representative of the wheat industry, what about cotton? In manufacturing, if you appoint a steel manufacturer, what about the manufacturer of textiles?

In my judgment, there would be so many interests involved that the board contemplated by the proposed amendment would prevent, and certainly retard, hinder, and delay the very objective that we had in mind.

Mr. GIFFORD. Will the gentleman yield?

Mr. WHITTINGTON. I wish I had additional time. I would be glad to yield if I had the time. I trust this amendment will be voted down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I ask for recognition for one-half minute.

The CHAIRMAN. All time has expired on this amendment by unanimous consent.

The question is on the adoption of the amendment offered by the gentleman from California.

Mr. BENDER. A point of order. Was there an agreement as to limitation of time on this amendment?

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] asked unanimous consent that all debate on this amendment close in 5 minutes. That consent was granted.

Mr. BENDER. Then, Mr. Chairman, I ask unanimous consent that that be changed, and that we may have an additional 30 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the debate be extended for 30 minutes. Is there objection to the request of the gentleman from Ohio?

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Mr. BENDER. Mr. Chairman, I move that the time be extended.

Mr. COOPER. Mr. Chairman, a point of order. I make the point of order that a motion is not in order.

The CHAIRMAN. The point of order is sustained. All time has expired.

The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 58, noes 83.

Mr. POULSON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. POULSON and Mr. MANASCO.

The Committee again divided, and the tellers reported that there were—ayes 76, noes 110.

So the amendment was rejected.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. LANHAM. Mr. Chairman, I am sure there are many provisions of the pending bill which we should all like to discuss at length if time were available. In the brief time at my disposal I wish to call attention to a situation which is at least incidentally pertinent to the provisions of this measure.

The so-called Lanham Act was passed for the purpose of providing housing for industrial workers at the various war plants to the extent that housing was not available in those localities and that private capital could not run the risk of such temporary construction. It was purely an emergency war measure.

That act provides for the disposition of the housing constructed under its terms, and I understand the provisions of this bill do not obviate or supersede any existing legislative enactment with reference to the disposal of various kinds of governmental property. I wish, however, to call attention to two ways in which vacant houses and houses in stand-by condition under this act can be used temporarily to serve a very useful purpose. It is natural, of course, that vacancies have arisen with reference to many of these projects where the production of the plants has been reduced. Wives of many of our boys in the service have been employed at various camps and plants and have been eligible to occupy these houses. In view of the fact, however, that so many of the boys were married shortly before their entry into the service and their transportation to foreign fields, we have a great many new families in this country. I have in mind one instance, which is typical, I think, and characteristic of many instances in this country, of a young married woman whose husband is in the service, who was working at one of these plants, but when she recently became the mother of a fine child she was, of course, no longer able to work. The rules and regulations are such that she can no longer occupy the house where she formerly resided when she was carrying on this employment.

I think it will add to the morale of the soldiers abroad if we use some of this vacant housing to take care of the wives of these soldiers in need of temporary quarters. They are newly married in most instances and have no homes of their own and, if these wives should by reason of circumstances such as I have recited have to give up their employment in these plants, let us not leave them without any place to live when we have the vacant houses available and they are willing to pay a reasonable rental to occupy them.

One further suggestion before I conclude. When this war is over many of the soldier boys who return are going to require a certain length of time to get

themselves readjusted to civilian life and pursuits and to come to some decision as to what they will do in a civilian capacity. The law provides that these houses shall be disposed of within 2 years after the termination of the war. Why not, when they come back from the service, permit them with their families to occupy these houses at a reasonable rental which they will be able to pay until they can determine just what their place will be in civil life? It will make money for the Government through rental of the houses, it will increase the morale of the soldier boys, it will give them a better opportunity to get adjusted to civilian pursuits.

I think that these two proposals should be carried into effect in all justice to the soldiers and their families and in all justice to the Government from its economic standpoint with reference to these houses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Chairman, these proposals can be made effective through an amendment to the present so-called Lanham Act and, in my opinion, by unanimous consent such provisions could readily be enacted into law. I propose to make a further investigation of this matter in order that we may take prompt and appropriate action in looking after these boys and their families for their own welfare and for the better economic situation with reference to the Government insofar as these houses are concerned.

The CHAIRMAN. The time of the gentleman has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

#### SURPLUS PROPERTY ADMINISTRATOR

SEC. 3. (a) There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$12,000 per year. The term of office of the Administrator shall be 2 years.

(b) The Administrator may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Administrator, Assistant Administrators, and special assistants, and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this act. The Administrator shall perform the duties imposed upon him through the personnel and facilities.



ties of the established Government agencies so far as consistent with his duty to insure uniform and efficient administration of the provisions of this act.

(c) The Administrator shall have general supervision and direction, as provided in this act, over (1) the care and handling and disposition of surplus property and (2) the transfer of surplus property between Government agencies.

Mr. CHURCH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 26, line 4, after the period, strike out the words "The term of office of the Administrator shall be 2 years."

Mr. CHURCH. Mr. Chairman, section 3 (a) now reads:

There is hereby established the Surplus Property Administration which shall be headed by a Surplus Property Administrator. The Administrator shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$12,000 per year. The term of office of the Administrator shall be 2 years.

My amendment would strike out the words "The term of office of the Administrator shall be 2 years."

If the amendment I have offered carries it makes the term of this office like the term of office of members of the President's cabinet, at the will of the President.

I pointed out yesterday in the debate here on the floor that if these words remain in the bill it may mean that the Administrator when appointed, whoever he may be, has a vested right in that office for a term of 2 years. I will vote for this bill even though the words remain in there, but I do not want to have to say a year and a half from now, if you do not like the kind of Administrator then in action "I told you so." I am calling this to your attention now. I believe this 2-year term of office should not be in the bill. I have offered this amendment striking these words and I hope it will carry. The responsibilities of the Administrator in this bill are too great, in my opinion, to treat the term in any different way than in the case of Cabinet officers.

Mr. CASE. Will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from South Dakota.

Mr. CASE. Does the gentleman think that the right to appoint carries the right to discharge or fire?

Mr. CHURCH. If there is any doubt in the gentleman's mind, and if this amendment does not carry, my next amendment will be to add these words in the bill: "except that he may be removed at the will of the President."

Mr. CASE. If the gentleman intends to accomplish the purpose he has described he should offer the second amendment. There have been instances in the country where the President has appointed someone, then without some specific authority to discharge him he has had very great difficulty in removing him. The amendment which is now at the desk would merely give the appointee the right to hold this office for the entire duration of the act,

namely, 3 years. The gentleman will have to fix the term or put in the bill some specific authority to discharge if he is to be sure of accomplishing the result he is seeking.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I understand that there is no dissent among those who have investigated the matter and in view of a decision of the Supreme Court in the so-called Miles case some time ago, the President of the United States has full power to remove the administrator or any other official, for that matter, under the Constitution.

Mr. CHURCH. He has the power to remove members of his Cabinet, and he has that power, the gentleman believes, in this case if the pending amendment carries?

Mr. WHITTINGTON. Without this amendment he would have the power to remove this Administrator, and I am so advised by the legislative counsel.

Mr. CHURCH. And with the amendment the gentleman believes he will have the power?

Mr. WHITTINGTON. He will have the power with the amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I am a little in doubt as to this last point raised. What was the situation when the President attempted to remove the Comptroller General? What was that situation? Did the court not hold that the President did not have the right to remove him, and reversed the decision, and allowed back salary?

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from South Dakota.

Mr. CASE. That was the situation in my mind, and that is why I raised the question. I think if this language is stricken and the President appointed an Administrator, he would not be able to remove him unless there was specific authority given in the act. The Administrator could hold the office for the life of the act, and the gentleman would not accomplish the purpose he is seeking.

Mr. CRAWFORD. May I raise one additional point? Did the Congress in the General Accounting Act provide a specific term for the Comptroller General?

Mr. CHURCH. I understand that that was the case.

Mr. CRAWFORD. And which term had not expired when the Chief Executive attempted to remove him. In this case we provide a specific term of 2 years. Under the decisions, can the Chief Executive remove this appointee before the 2-year term expires?

Mr. CHURCH. Based upon all information at hand and based upon experience, I believe that in lieu of the Humphrey case decision we are safer if these words are stricken. To do otherwise, there might be a question. By striking these words out, he serves just

like a Cabinet member, at the will of the President.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman may have an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. There is a distinction between officers in the executive department of the Government, like this Administrator, and the office of a judge, or quasi official, like Mr. Humphrey. The Humphrey case would not be applicable, as I understand it.

Mr. CHURCH. The gentleman agrees with me that if these words are stricken, he serves merely at the will of the President, just like a Cabinet officer.

Mr. WHITTINGTON. Whether they are stricken or not.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. CHURCH. I yield to the gentleman from Georgia.

Mr. RAMSPECK. If the gentleman will read the Meyer's case, where President Wilson removed a postmaster who had a 4-year term and was confirmed by the Senate, he will find that the Supreme Court held that anybody in the executive branch of the Government can be removed by the President at will. The Humphrey case is different in that respect, because that was a quasi judicial office. The Comptroller General is not in the executive branch of the Government.

Mr. CHURCH. Then the gentleman agrees with me that if this amendment passes, this Administrator will serve at the will of the President and can claim no vested right in a 2-year term.

Mr. RAMSPECK. I agree with the gentleman from Mississippi. He can be removed either way.

Mr. WHITTINGTON. I would say, furthermore, by leaving the term 3 years, we retain further congressional control and you can give the Senate a kick at it every 3 years.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CASE. Mr. Chairman, I move to strike out the last word.

I would like to ask the gentleman from Illinois whether he thinks if this amendment is stricken, that the Administrator will serve at the will of the President and will be removable without a showing of cause?

Mr. CHURCH. I think he will. The President is elected. The President will be responsible. The Administrator is not elected. If we leave these words in here, after he is appointed by the President and approved by the Senate, he has right to the office for 2 years, except under certain circumstances.

Mr. CASE. I merely want the gentleman to be sure.

Mr. CHURCH. I want to put language in there that he has no right to this office except at the will of the President.

Mr. CASE. I think, then, the gentleman should make that specific in the



amendment that he offers, because there certainly have been cases raised in various States where the same principle is involved where it has been held that it was necessary to show cause unless there was express provision to the contrary. I think the gentleman should offer a second amendment to make certain of the point he is trying to establish.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment. I do not want to take but a minute or two of the committee's time on this amendment. The other day in committee the gentleman from Illinois brought up the same amendment. Mr. Clayton was present at that time, and he said that he would rather not be appointed for the full term, because if he did not perform his duties, he would like to have the Senate of the United States have an opportunity to vote either approving or disapproving his conduct in office. He said he felt sure that any person would feel the same way. If the amendment offered by the gentleman from Illinois is adopted, the term of office of Administrator will last for the duration of the act.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Illinois.

Mr. CHURCH. I further questioned Mr. Clayton and asked him whether he would object to this amendment. He said he would not; in other words, he is perfectly willing that the amendment I offer pass. Of course, we did not have many members present at our meetings. We were going along rather hurriedly.

Mr. MANASCO. I am sure Mr. Clayton or any other Administrator would not object to having his office extended for a number of years.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been in extreme doubt whether I ought to favor a board instead of one administrator. Sometimes when I ought to think clearly I seem to lack the necessary equipment. I lack the necessary equipment for clear thinking today, because I realize that an alienated and an alien-minded conglomeration of organizations, backed by a tremendously large fund of money are trying to get possession of the Government and our entire economic structure. These leaders might demand that they be persuasive with the appointing power of the Government. Like the gentleman from Mississippi [Mr. WHITTINGTON], I want to rescue my President from the necessity of making all these many appointments at this particularly critical time before an election. There is no secret now of who demands a voice in government and that they will assert themselves. It is not a Democratic or Republican question. It is hardly a political question. If it is, I am sorry I have presented it to

you. But we must be reminded of those now demanding this control and probably would expect to be rewarded for their support. I cannot imagine the United States Chamber of Commerce, composed of real businessmen, could be so influential their selections would be appointed to the suggested board. I cannot imagine at this particular moment that they would be persuasive against these other great organizations banding themselves together for the purpose of getting control of the Government as it is to me, I am sure. I am sure I am voicing their own fears. However, the important thing about this bill is whether there should be a board or whether there should be but one individual. I cannot imagine Mr. Clayton insisting on 2 years if it were suggested that he resign. Once in awhile, on a few occasions, a man who has been appointed and felt safe during his tenure of office, insisted on staying, and if he was pushed out and demanded his salary. I want to relieve my President all I can of having to make the important decisions of appointing men who will control the economy of this Nation.

The provisions in this bill are not so bad, but the administration of this act, as I tried to say yesterday or the day before, is far more important than the law itself, because there is not much law in it. It is a statement of objectives, which are easy to state, although one contradicts the other.

I hope you will forgive me if you see me voting on this matter with great reluctance.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I do not wish to inject any personalities into the discussion, but knowing Mr. Will Clayton as I think I do, if I were called upon to select a nonpartisan appointee I would not know in which direction to look, I would not know another man in the United States on whose shoulder to place my hand, who, based on his past industrial experience, would be more acceptable to me than Mr. Clayton as Administrator of this act. Of course, Mr. Clayton is not on trial here today, and he certainly does not need me to speak in his behalf. Life is too brief and death is too certain for us to think in terms of a single Administrator on a matter of this kind, anyway. But I do feel very keenly that we should amend this bill so that there will be no question about the Chief Executive's having the power and the privilege to change this Administrator any time he thinks it advisable to do so. Therefore, based upon the opinions that have been given here by these learned lawyers, I should like to see this bill amended so that the term of office of the Administrator would be absolutely subject to the will of the Chief Executive of the United States.

If the words "the term of office of the Administrator shall be 2 years" are stricken and words added to the effect that he shall serve at the option of the Chief Executive, that will certainly be acceptable to me. If the words "the

term of office of the Administrator shall be 2 years" are not stricken, then I hope the House will extend that sentence by adding this language, which I understand will be offered as an amendment by the gentleman from Illinois [Mr. CHURCH], "except that he may be removed at the will of the President."

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Alabama.

Mr. MANASCO. Knowing Mr. Clayton as the gentleman from Michigan knows him, does the gentleman believe that if another gentleman were elected President and he did not want Mr. Clayton to serve as Surplus Property Administrator, Mr. Clayton would continue to serve as against the will of the newly elected President?

Mr. CRAWFORD. No; I think the gentleman's question now is tinged with politics, and I say that very kindly. I do not have in mind the political situation that may or may not exist subsequent to next January 3. What I have in mind is the toughest economic problem ever handed to any man in the whole history of the world, that is, liquidating \$103,715,000,000 worth of surplus goods. I do not want to find some fellow in there who is half crippled mentally or physically, but still holding that job while the world is going down in the maelstrom of economic chaos. I have confidence in any Chief Executive sufficient to believe that, if we leave it so that the Chief Executive may do so, he will take the necessary steps to correct the situation if some Administrator is not properly doing the job.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Mr. MASON. I understood that the present occupant of the well speaking definitely, stated in the beginning of his remarks, that it is not a question of Will Clayton or anyone else, it is not a question of personalities at all.

Mr. CRAWFORD. That is correct. The reason I made the remark about Will Clayton that I did is that I know Will Clayton well enough to know that he would do the very thing the gentleman from Alabama has indicated.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Aside from any views that I as a lawyer might have, we are assured by the legislative counsel that it would be just like writing the Constitution into this bill to prescribe here that this officer shall hold his office at the will of the President, because the legislative counsel have assured us that under the Constitution and the laws, in addition to our views, with or without this amendment the man may be removed at any time. On the contrary, we would prefer to leave in the bill the restriction calling for a report to Congress as well as the restriction with regard to confirmation by the Senate.



Mr. CRAWFORD. Suppose we leave the bill exactly as it reads at the present time, does the gentleman believe it would be cricket or would be fair shooting for the President to remove this Administrator within 6 months to a year?

Mr. WHITTINGTON. A decision of the Supreme Court has sustained his removal of a postmaster, who was an Executive officer, and whose term ran for 4 years. The legislative counsel assures us that that case is on all fours with this situation, and that the President has full power to remove this man at any time. Moreover, as the gentleman indicates, all you would have to do at any time to get rid of Will Clayton would be to intimate to him that the President did not want him.

Mr. CRAWFORD. But Will Clayton may not be the Administrator 6 months from now, and I do not have the same confidence in other men I might mention that I have in him. So I think the amendment offered by the gentleman from Illinois should be adopted.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. CHURCH) there were—ayes 28, noes 61.

So the amendment was rejected.

Mr. CHURCH. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 26, line 5, after "years", strike out the period and add "except that he may be removed at the will of the President."

Mr. CHURCH. Mr. Chairman, if this amendment is adopted, the words "the term of office of the Administrator shall be 2 years" will remain in the bill, and there will be added thereto these words, "except that he may be removed at the will of the President."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 51, noes 56.

Mr. CHURCH. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CHURCH and Mr. MANASCO.

The Committee again divided; and the tellers reported that there were—ayes 58, noes 89.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 26, line 5, after the period, insert "The majority and minority leaders of the Senate and House of Representatives shall appoint five Members of each body to act as a joint committee. The duty of such committee shall be to have and to continue in close touch with the Administrator and the administration of this act and to keep Congress properly informed. The committee shall be composed of three majority and two minority Members from each branch of Congress."

Mr. MANASCO. Mr. Chairman, I reserve a point of order against the amendment of the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I think every Member on this floor can readily understand the purpose of my amendment, the purpose being, of course, to keep the Representatives of the people of this Nation and the people themselves informed as to what is going on in the disposition of these billions of dollars' worth of war material, which if not handled properly can disrupt the whole economy of our Nation. I think it is our duty, as Representatives of the people, to take that responsibility now. Certainly it is our responsibility to see that this material is disposed of in a proper, equitable, businesslike, and orderly manner and that it shall not be disposed of to any favored group, but shall be disposed of in such a manner that the American people—the taxpayers, if you please—will know it is being properly handled. I hope that the membership of the House is willing to accept the responsibility which they have assured the people they were willing to accept, and certainly this is one of the responsibilities which the American people are going to expect us, as their Representatives, to take and to hold. Whether this special committee that I here propose, or the regular Committee on Expenditures, be given this responsibility, I sincerely hope the Congress will be kept properly informed as to the manner in which the Administrator and his aides are functioning at all times.

Mr. MANASCO. Mr. Chairman, I withdraw my reservation of a point of order against the amendment offered by the gentleman from Iowa.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like the attention of my good friend the gentleman from Massachusetts [Mr. GIFFORD]. Time and time again he has spoken on the floor of the House in reference to the activities of the committee which has this bill under its jurisdiction. He used some language along that line this morning. Under the rules of the House the reports that are to be made to Congress under section 5 of this bill, should be referred to and studied by the Committee on Expenditures in the Executive Departments. My opposition to this amendment is that if you want the committee to function, do not take its powers away from it. During the period that I unfortunately could not be here, this House set up a dozen or more committees and passed the jurisdiction of the Committee on Expenditures in the Executive Departments to these select committees to make investigations of expenditures. Now, if the amendment of the gentleman from Iowa is adopted, then the House and Senate will have a joint committee appointed by the Speaker to study these reports.

Mr. JENSEN. Mr. Chairman, if I may correct the gentleman, the committee is not to be appointed by the Speaker.

Mr. COCHRAN. And, I should say, the Vice President?

Mr. JENSEN. No. The amendment provides that the committee shall be appointed by the majority and the minority leaders of the House and Senate.

Mr. COCHRAN. Well, it is just the same, because the Speaker of the House always consults the minority leader, and appoints a man that the minority leader desires. What I object to is this amendment will take jurisdiction away from a standing committee of this House if the amendment is adopted. Therefore I hope the amendment will be voted down.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. CRAWFORD. If I understand the gentleman correctly, the quarterly reports to be made to the Congress by the Administrator under section 5 of this bill, under the rules of the House will be referred to the gentleman's committee?

Mr. COCHRAN. They will be referred to a committee of which I have been a member ever since it was organized and was for years its chairman.

Mr. CRAWFORD. The gentleman from Missouri feels that the adoption of this amendment would take away from his committee some of its present jurisdiction under the rules of the House?

Mr. COCHRAN. Absolutely.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. GALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GALE: On page 26, line 12, strike out the words "Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Administrator, Assistant Administrators, and special assistants, and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers, in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act."

Mr. GALE. Mr. Chairman, the purpose of this amendment is very simple. It simply provides that the appointees of the Surplus Commodity Administrator shall come under the civil-service set-up, as all appointees in the Government service are now provided for.

Under the present wording of the bill the situation is wide open. I quote the words:

He—

That is, the Surplus Property Administrator—

may appoint without any qualifications whatsoever an Assistant Administrator, and Special Assistants, certified public accountants, and qualified experts.

And he may fix their compensation. That means there is no limit whatsoever on the salaries which those appointees may receive. They are not under civil-service classification in any way, manner,



or form, and they may receive \$5,000, \$3,000, or \$15,000.

Another very important point which is embodied in this amendment would be to provide for veterans. If the language in the bill prevails, there is no consideration for veterans' preference. In other words, veterans' preference, which applies to all Government employees, is not considered, because the veterans' preference is included under various Civil Service acts and under the Veterans Preference Act of 1944, which are not applicable to appointees of the Administrator under the provisions of this bill.

Therefore, in voting for this amendment which I have offered, you are voting actually against the spoils and patronage system. You are also voting for the normal, regular veterans' preference, which has always been accepted.

I sincerely hope you will vote for the amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GALE. I yield.

Mr. AUGUST H. ANDRESEN. I feel that the gentleman's amendment has a great deal of merit, but I fail to find that the present New Deal administration has ever followed the merit system when it came to giving employment, especially to these so-called experts. If we had some assurance that the best men would be selected under the merit system, I would be inclined to support the amendment offered by the gentleman, but I am somewhat dubious about it, and I rather feel that they will appoint such men as Sidney Hillman, probably Earl Browder and some of these others who they think may be able to qualify under civil service.

Mr. GALE. I will grant the gentleman that the civil service is not perfect, but it is not quite as bad as it would be if it were wide open.

Mr. AUGUST H. ANDRESEN. We want to get the best men. This is one of the most important jobs this country will have. What I am referring to is that the present administration has not followed the merit system in making its selection of policy makers, having to do with the affairs of our country, but have selected men who are not experienced and who never really knew what they were doing in making policies.

Mr. GALE. In answer to the gentleman I will say the situation will be much worse without civil service than it will be with civil service.

Mr. AUGUST H. ANDRESEN. We will have a new administration in control.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. GALE. I yield.

Mr. BUSBEY. I would like to advise the gentleman from Minnesota that neither Hillman nor Browder could ever possibly qualify under the veteran's preference.

Mr. RAMSPECK. Will the gentleman yield?

Mr. GALE. I yield to the gentleman from Georgia.

Mr. RAMSPECK. In the gentleman's time I would like to say to the gentleman from Minnesota [Mr. ANDRESEN] that one of the most able men I know in the Gov-

ernment service today is the Republican member of the Civil Service Commission. He is doing an excellent job and we are getting better people in the Government because of his service.

Mr. WORLEY. Will the gentleman yield to me?

Mr. GALE. I yield.

Mr. WORLEY. Would the gentleman from Minnesota [Mr. ANDRESEN] make that blanket indictment against the able Secretary Stimson, and the late Secretary of the Navy Knox, Mr. Stettinius, and other Republican members?

Mr. AUGUST H. ANDRESEN. They are not under civil service.

Mr. WORLEY. But the gentleman said they never followed the merit system.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. GALE] has expired.

Mr. GOSSETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section B, as it appears in the bill, was written in at the suggestion and request of those interested in the civil service. The bill as originally drawn, exempted the entire office of the Surplus Property Administrator from civil service.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. GOSSETT. Yes; I yield.

Mr. TABER. The Administrator is entitled to fix their compensation under this bill, without regard to the Classification Act of 1923. There is no limit at all on the salaries that may be paid. Does not the gentleman feel there should be some limit?

Mr. GOSSETT. I think the discretion of the Administrator would place a limit on that. His reports to the Congress would show the amount paid. I am not so concerned with that provision as I am with the fact that the Administrator not be tied hand and foot by the restrictions of the Civil Service Commission.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. If that provision remains in the bill for the employment of these experts who are essential to advising him about the value of billions of dollars of property, I suggest that the gentleman from New York [Mr. TABER] and his Committee on Appropriations will have more to say about the amount of salaries that will be paid, because they will not be paid until the money is appropriated.

Mr. TABER. There will not be any appropriation made with my consent that will permit them to go above the limit of the Classification Act. I think we ought to strike out that portion referring to the Classification Act. I am willing to go along with the other part of it.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. This has to do with the disposal of plants?

Mr. TABER. No.

Mr. WHITTINGTON. Oh, yes. It is the disposal of surplus property. The

civil service applies to the other employees.

Mr. TABER. I understand that.

Mr. WHITTINGTON. This only applies to the expert assistants that they must have here and abroad in order to dispose of the surplus property.

Mr. TABER. But if you turn a man loose and let him fix salaries as high as he wishes, you are going a long way. He could start off with an allotment from the President's emergency fund, and then be entirely out of control. I would not agree to it.

Mr. MANASCO. Mr. Chairman, will the gentleman yield to me?

Mr. GOSSETT. I yield.

Mr. MANASCO. Under the terms of the bill the operating agencies are to dispose of this surplus property. That is where your personnel is to be. They are all under the classified civil service. Under the terms of the bill, Mr. Clayton told us he did not propose to have a very large staff. At the present time he is operating with 6 people. He wants to be able to go to a town and spend a day or so with certain industrialists.

Mr. GOSSETT. If you tie the hands of the Surplus Property Administrator it will require him to employ his assistants and experts all from the civil-service register, and he is not going to be able to operate efficiently. Paragraph B of section 3 places everybody, except those specifically named under said section B, under the civil service. Unless they are included in the classes named, he has to go to the civil-service rolls. The vast majority of the employees of the Administrator's office will come from civil-service rolls. The ones excluded by paragraph B are experts and are temporary employees of a temporary agency. Why burden the Civil Service Commission and the Surplus Property Administrator by making him choose these assistants and advisors from civil-service rolls? As the Chairman has well stated, most of this work is going to be done through existing agencies, and those existing agencies are under the civil service. This amendment is written in as a compromise of an issue. I say that if you are going to put the office under civil service, Mr. Clayton, in effect, will be tied hand and foot in the operation of his office.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. Is it not true that under the language of the bill the veterans under the civil-service provision will have preference?

Mr. GOSSETT. That is quite true.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Miss SUMNER of Illinois. I wish the gentleman would explain what is going to be done in the existing agencies such as in the Procurement Division of the Treasury. Those people do not know anything about merchandising. Does the gentleman believe it possible for the Civil Service Commission to write an examination to determine a man's merchandising ability? It seems to me it is very important that the men who han-



dle this surplus property have merchandising experience and ability.

Mr. GOSSETT. I take it the gentleman is opposed to the amendment.

Miss SUMNER of Illinois. Yes.

Mr. GOSSETT. I quite agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RAMSPECK. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. RAMSPECK. Mr. Chairman, the question just asked by the gentleman from Illinois indicates a lack of understanding of how the civil service operates. It is not necessary and is not the practice to have a written examination for the type of positions we are discussing. Applicants for such positions are graded upon business experience and education. If Donald Nelson can operate under civil service, and Chester Bowles can operate under civil service, why cannot Will Clayton?

Sixty days ago we passed in this House a veterans' preference law in which we expressed our desire to see that the men who served in the armed forces should have preference. Now you are going to turn right around and exempt these jobs from civil service. No matter how well qualified he is, you are giving to one man the power to make all these appointments. I see no reason why this agency cannot operate under civil service, when the other extremely important war agencies during the whole war period have operated successfully under the civil-service law.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WHITTINGTON. I have high regard for the gentleman's views. What plants and what large properties costing \$50,000,000 or \$60,000,000 has Donald Nelson or any other agency disposed of, or what industrial appraisal men familiar with the value of such property have they had to employ under civil service?

Mr. RAMSPECK. I do not know that they have had to dispose of any, but I do know that the War Production Board has employed men who have earned as high as \$100,000 a year. These men came in under the provisions I am advocating. Mr. Clayton can use civil service likewise. The Commission is not going to be arbitrary about his getting the type of ability he wants; so why set the precedent of breaking down the law we have just passed? Why change the rules of the game in the middle of it, when the other agencies in the war effort have been able to get along with the Civil Service Commission and get the type of people they needed without breaking it down?

Mr. WHITTINGTON. The complete answer is that we have not had this provision. There will have to be an administrator in foreign countries where the property is located, and he ought to be able to get the type of man he needs for that without regard to the civil service.

Mr. RAMSPECK. What about the Rubber Director who guided the synthetic-rubber program? He operated under the civil-service law.

Mr. WHITTINGTON. I did not know that he was under civil service.

Mr. RAMSPECK. Not the man himself, but his organization.

Mr. WHITTINGTON. I am talking about the Director himself. He was appointed.

The Administrator here in the United States will have to appoint a deputy administrator to take care of much of this property which is located abroad, and he should be able to appoint that deputy administrator without regard to Civil Service to get just the type of official he needs.

Mr. RAMSPECK. Would the gentleman limit it only to the deputy administrator?

Mr. WHITTINGTON. No.

Mr. RAMSPECK. I want to say to Members on both sides of the aisle that the three major veterans' organizations are watching this floor today. They do not want to see this Congress break down a law just passed 60 days ago. They have sent telegrams, they have contacted the members of the committee expressing their views. We ought to have an orderly selection of these people in accordance with the rule of merit and not make a patronage grab out of this agency.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment to put all appointive employees under civil service.

Mr. Chairman, under the terms of this bill as it now stands, it is provided that the deputy administrators, assistant administrators, special assistants, public accountants, cost accountants, engineers, appraisers, and all other experts are to be exempted and chosen without civil-service status or civil-service classification. Of course, there will be plenty who will be appointed under the classification of experts. There may be a few of the top appointees who will not need to come under the Classification Act, but there is no use exempting them by the wholesale. If they are not good enough to qualify for these jobs, they ought not to be appointed.

If you believe in civil service in government, if you favor the merit system, then you ought to support this amendment.

I agree there are many employees who are holding jobs for which they are not qualified, too many of them. That is not the fault of the system. That fault is with the administration of the act. I realize it is difficult to classify some of these jobs, but even at that it is better to put these positions under civil service. It is the safer thing to do.

Mr. Chairman, only a few weeks ago this House, by overwhelming majority, supported legislation designed to strengthen and improve the Civil Service Act, especially as it protects the rights of veterans. Today, if you do not adopt this amendment, you are taking away the right of veterans' preference as far as these jobs are concerned.

What really needs to be done is to give the civil system a going over and make it more practical and workable. Make it a real competitive civil-service merit system.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished Member from Ohio.

Mr. BROWN of Ohio. Has it not been a usual procedure for the last several years always to exempt from civil service the appointees of any new agency of the Government and then after the positions have been filled, blanket them into civil service?

Mr. REES of Kansas. Yes; beginning back in the days when the New Deal first started to set up its numerous agencies they exempted the employees from civil service. Political and patronage appointments were made by the thousands. No examinations were required by appointing agencies. They came along later when the jobs had been filled and blanketed them into civil service without the employees being required to take any competitive examinations. Tens of thousands of new employees were placed under civil service long after being appointed, without being required to take examinations that amounted to anything. At that time there were thousands of persons who had qualified for jobs and who were on the eligible registers but were not permitted to compete for the positions that had been filled by the "blanketing in" method. I did not support that legislation. All of these exemptions are not necessary. They should be under civil service. Let us play the game squarely while we are about it.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Texas, a member of the committee.

Mr. GOSSETT. I may say to the gentleman from Kansas that this language was copied almost verbatim from the language in the Contract Settlements Act which we passed here just before the recess and no such fight was made on that legislation.

Mr. REES of Kansas. It is a very unfortunate thing the House permitted that to occur. I am disappointed that a committee would bring in such exemption after all of our experience with respect to this problem.

We ought to have stricken it out. This amendment is sound. I trust the Membership of the House will support it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLEMAN. Mr. Chairman, I do not know that I should take any time to discuss this matter. I do not believe it is a controlling matter; I do not think it is either going to make or break this legislation but I do want to call your attention to the fact that this is a temporary organization; it is set up to do a specific job. The Administrator should have an opportunity to get his assistants wherever and whenever he could find them without having to go through all the red tape, if you please, of Civil Service for these temporary jobs. If this were a permanent organization it would be a different proposition entirely, but we are setting up an organization for 2 years only. Why go into all this red



tape and these requirements? Before the Administrator could get some of the men he needed from Civil Service the life of the act would have expired.

Mr. FISH. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I agree and I disagree with the gentleman who has just spoken. I agree that it will not make a great deal of difference whether this amendment is adopted or not. Certainly the Administrator should have the greatest latitude in selecting all of his deputies. That should be self-evident. Whether he should have that same latitude in hiring experts, such as cost accountants, appraisers, and so forth, I do not know, nor do I care very much what happens to this amendment.

I differ, however, with the gentleman from Mississippi very much in that it does make a difference if you begin to break down the veterans' civil service laws. This is not the time to begin to do that. If this amendment is not carried I propose to offer the following amendment:

Page 26, after the period, line 20, insert This shall in no way abrogate veterans' preference under civil service laws and the Classification Act of 1923.

I see no reason whatever by any stretch of the imagination for taking away any of the little preferences we have given to these World War veterans of the past war or of this war. We have given them little enough and I am not going to begin to vote to take anything away from them. It has been hard enough to get these benefits for them. This will not affect a great many jobs. It is not a question of lip service, it is a question of principle. If you break it down now why not do it all along the line?

Mr. Chairman, this raises two issues. The first issue is the question of civil service, whether it is feasible to apply the civil service tests to all of these employees. The other is with reference to war veterans of both wars, No. 1 and No. 2. Let us not break down the veteran preference laws now.

Mr. RAMSPECK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I would like to point out to the gentleman if you exempt the employees from the civil service that we have no way of knowing or of ascertaining whether or not the veterans' preference is applied. That would not be effective because you have no one to police it.

Mr. FISH. If this amendment is agreed to, it is the law, and I hope whoever is the administrator will comply with the law. If he does not comply with the law I think the Congress will have something to say about it, and I am sure it will. I shall certainly offer my amendment as far as veterans' preference is concerned if the proposed amendment is defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUSBEY. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I hope that my remarks on behalf of the amendment of-

fered by the gentleman from Minnesota [Mr. GALE] will not be construed as condoning or complimenting the Civil Service Commission in any way, shape, manner, or form. On several occasions, I have exposed the Civil Service Commission and the way it has conducted its loyalty investigations. I still say if the Dies committee ever investigated the Civil Service Commission the eyes of everybody in this country will be opened as to what has been going on, and how all the Communists and fellow travelers of Earl Browder and Sidney Hillman have gotten on the Federal pay roll.

Something has been said during this debate about veterans' organizations supporting this amendment, which is correct. I received the following telegram from Maurice F. Devine, chairman, national legislative committee, the American Legion:

WASHINGTON, D. C., August 16, 1944.

HON. FRED E. BUSBEY,  
House Office Building,  
Washington, D. C.:

Your attention is respectfully invited to paragraph B of section 3 of H. R. 5125. This may be found on page 26, lines 12 to 20, inclusive. The Legion is opposed to part of the language of this section and submits that that part of the section beginning on line 12 with the words "without regard to" and ending on line 20, with the words "policies of this act" should be stricken out, our reason for making this suggestion is because if this section is allowed to remain as it is it would result in the nullification of veterans' preference laws, except in the lower-paid positions. The civil-service laws, and particularly Public Law 359, Seventy-eighth Congress, provide for veterans' preference in Government employment. If this section is not amended as suggested registers would not be obliged to be kept, rating because of examinations would have no standing, and the really worth-while positions provided under this bill would be placed outside the civil-service laws. It is our understanding that the civil-service laws provide adequate opportunity for the application and classification of the personnel necessary to the proper administration of this bill. The Administrator has ample authority under civil-service laws to select key personnel in excepted positions.

MAURICE F. DEVINE,  
Chairman, National Legislative  
Committee, the American Legion.

Mr. Chairman, as the gentleman from Georgia [Mr. RAMSPECK] stated, you are going to start scrapping the veterans' preference laws when you write into law exemptions such as those contained in the pending bill. The membership of this House has always stood for the veterans. They have demonstrated that time after time and I feel most earnestly that we will again demonstrate our feeling toward the veterans by agreeing to the amendment which has been offered by the gentleman from Minnesota [Mr. GALE].

The gentleman from Mississippi [Mr. COLMER] referred to the red tape, one must go through in the Civil Service Commission in order to have men appointed in top positions of a Government agency. The Civil Service Commission, I believe, is in a position to certify a man in 1 day if it is necessary.

Mr. Chairman, I sincerely hope that the membership of the House will again demonstrate its loyalty to the veterans of our country and adopt the amend-

ment offered by the gentleman from Minnesota [Mr. GALE].

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

Mr. TABER. Mr. Chairman, I object.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

When this bill was introduced appointments were not made under the Civil Service Classification Act. The committee gave careful consideration to the matter. The section under consideration provides that the personnel shall be selected under the civil service. Every preference is retained that the veteran is entitled to under civil service. We examined the Administrator at length, and we were impressed that this Administrator had been discharging the obligations of his office and arranging to dispose of property already since he was appointed aggregating a good many hundreds of millions of dollars, with a staff of 50. We said to him, "Much of this property will be disposed of abroad." He said, "Yes. I ought to have the power to appoint the best qualified in or out of the Government or in or out of the civil service." It may be that during the war high-salaried men come down and work for \$1 a year, but this bill provides for the handling of fifty or sixty billion dollars worth of property after the war; many of the plants worth millions of dollars. Before the Administrator disposes of those plants will you deny to him the privilege, with or without civil-service classification, to get the best possible engineers, industrial engineers, those who are familiar with chemical plants, the cost of steel plants, the cost of erection of many other plants costing millions and millions of dollars? Will you restrict him to Government employees who have never had any experience in the handling of millions, to say nothing about billions, of dollars' worth of property? We want to do everything to see that the veterans are given preference, and we have done so time after time in this bill, wherever possible. We are for the civil service and the Classification Act, but we say that the Administrator ought not to be denied the right to appoint a Deputy Administrator to represent him abroad or an Assistant Administrator to represent him in other parts of the world or in another part of the country, and to get the best industrial engineers and experts and the best legal talent that he can get, as well as the best appraisers. The word "all" is not in there. It says, "and other experts." I do not know of any better way to express the authorization than the language of the bill, unless we mean to hamper and unless we mean to prevent the Administrator from getting the best help and the most dollars that he can in the disposal of this billions of dollars' worth of property. We ought not to restrict him to the employment



of civil-service employees who do not know anything about the technical plants, in my judgment, to say nothing at all about some of the biggest transactions in the world, where technical talent is required.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. The original bill exempted all employees.

Mr. WHITTINGTON. It certainly did.

Mr. COCHRAN. I objected to that.

Mr. WHITTINGTON. That is right.

Mr. COCHRAN. Then after a long discussion with Mr. Clayton he said he did not want all the employees to be exempted, but he did think with reference to what you might say were his assistants that were going to help him to carry out the purposes of the act, and some experts, that he should be given some latitude.

Mr. WHITTINGTON. If you can approve the language in the bill to give him the assistants that he ought to have, I have no objection, but to strike out and eliminate the power altogether and prevent him from getting the experts he needs that would enable him to get every dollar that we ought to get in the disposal of these war plants, would be a mistake.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. TABER. This gentleman, who it was suggested might be appointed, has been in charge of this job for how long?

Mr. WHITTINGTON. About 3 months.

Mr. TABER. The gentleman from Indiana [Mr. HALLECK] exposed the fact that an enormous number of W. P. A. and N. Y. A. derelicts were running this job now. That is what we do not like, and it ought to be done away with.

Mr. WHITTINGTON. The gentleman is ill advised and mistaken. May I say in all deference that I am as much in favor of economy and efficiency as any Member of the House. For whatever my judgment is worth, this Administrator of all the administrators that have been brought to my attention, has a staff, including clerical and other employees, of around 50. We have had dealings with one member of his staff. He is most capable and qualified. He is not appointed under the Civil Service. I am for just as much economy and efficiency in the management of the Government as possible. I say, in my judgment, that it would be a great mistake to deprive Mr. Clayton of the privilege of obtaining the experts he should have, when we retain the purse strings to provide for his compensation and the compensation of these men, by adopting this amendment, and I trust it will be defeated.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Missouri [Mr. COCHRAN] has correctly stated what transpired in connection with this subject when the hearings were in progress before the Committee on Expenditures in the Executive Departments. As a member of the Com-

mittee on the Civil Service of the House for some 11½ years, I have consistently fought to extend and strengthen the provisions of the merit system. The committee was in agreement, as the gentleman from Missouri has expressed, that insofar as possible we should use civil-service employees in the regular personnel. The Administrator, however, whoever he may be, Mr. Clayton or another gentleman, should in this type of job have the responsibility of picking those who would work closely with him as experts, as research men, as policy individuals. On their shoulders would devolve a keen responsibility, and those certain employees of the Surplus Property Administrator should be from without the civil service, or within the civil service, if the S. P. A. desires. He should choose, according to what he believes to be best.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Alabama.

Mr. MANASCO. The previous gentleman referred to the men who had no merchandising experience who are now disposing of this surplus property. I call attention to the fact that these men are already under civil service; they are in the Procurement Division of the Treasury Department now; so if we are afraid of exempting a few there, and they are not satisfied with the men already employed, I do not think we can improve it by striking it out.

Mr. RANDOLPH. I thank the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Missouri.

Mr. COCHRAN. I think that the words "and the Classification Act of 1923" should be eliminated. With all due respect to whoever might be the Administrator, we should not set the Classification Act aside entirely, because if you do, there is no limitation as to what salary he could pay. I agree with the suggestion made a few minutes ago that those words should be stricken out of this act.

Mr. WHITTINGTON. Does the gentleman offer that as an amendment to the amendment?

Mr. COCHRAN. I will offer it as an amendment.

Mr. WHITTINGTON. That cannot be done, because the gentleman is striking out the whole text.

Mr. RANDOLPH. The gentleman will perhaps offer it as a substitute. I think there was no matter that received more careful attention than this subject, and I only reiterate that in voting against the amendment, I will not be lowering the bars against civil service. I may say to the gentleman from Minnesota [Mr. GALE] that I think I have joined with him on all occasions when there was a clear-cut test, but I think on a matter of this kind, where decisions must be made and where confidential personnel is necessary to enable him to make up his mind on the matter, we must give to the Administrator certain powers of discretion and choice.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Michigan.

Mr. DONDERO. An interesting question has been raised. If the war ends tomorrow, how long would these people under this section serve under the administration of this act? Has any Member any knowledge of that?

Mr. WHITTINGTON. Not longer than 3 years.

Mr. RANDOLPH. The life of the act. The job of the disposal of goods must be in 3 years.

Mr. DONDERO. But how long would it be necessary to administer this act before this surplus property would be disposed of, should the war end tomorrow?

Mr. WHITTINGTON. May I say that it took 4 years after the First World War to sell \$3,750,000,000, and we are giving him 3 years to dispose of 50 or 60 billion.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. I would have no objection to allowing the Administrator to select a deputy and an assistant administrator, and certainly there is no reason why we cannot get cost accountants, industrial engineers, and appraisers. But the best brains of this country today are in the armed forces. Most of those qualified are now in the service. We have them in Europe and in every other part of the world. They could be discharged from the Army and put to work on this program and put in civil service almost overnight.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. GOSSETT. In connection with the observation of the gentleman from Michigan, the Administrator might want to take a small corps of experts to do a particular job for only 3 months' tenure of employment, or possibly 6 months, and if he had to go to the Civil Service Commission it would delay his operations considerably.

Mr. RANDOLPH. I hope the amendment is defeated.

Mr. COCHRAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN as a substitute for the amendment offered by Mr. GALE: On page 26, lines 9 and 10, strike out "and the Classification Act of 1923."

Mr. TABER. Mr. Chairman, does the Committee understand that if this amendment is adopted the rest of the amendment goes out? Is it not correct that if the substitute for the amendment is adopted, the whole amendment goes out?

The CHAIRMAN. This is hardly a substitute.

Mr. TABER. I make the point of order, then, that the amendment is not in order.

The CHAIRMAN. The gentleman from Missouri can offer this amendment after we have disposed of the amend-



ment offered by the gentleman from Minnesota.

Mr. COCHRAN. Mr. Chairman, I offered my amendment to lines 9 and 10. It should be line 13, striking out the words "and the Classification Act of 1923."

The CHAIRMAN. Does the gentleman offer his amendment as a substitute or as a perfecting amendment to the amendment offered by the gentleman from Minnesota?

Mr. COCHRAN. I offer it as a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 26, line 13, strike out "and the Classification Act of 1923."

Mr. GALE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GALE. The amendment which has been offered by the gentleman from Missouri is not a substitute, because my amendment strikes out the language to which the amendment refers.

The CHAIRMAN. The amendment is not now offered as a substitute, it is offered as a perfecting amendment.

The question is on the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from Minnesota.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 70, noes 57.

So the amendment was agreed to.

The Clerk read as follows:

#### SURPLUS PROPERTY ADVISORY BOARD

Sec. 4. There is hereby created a Surplus Property Advisory Board with which the Administrator shall advise and consult. The Board shall be composed of the Administrator, who shall act as its Chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Chairman of the Board of Directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the Civil Aeronautics Board, and the Administrator of the Foreign Economic Administration, or any alternate or representative designated by any of them.

Mr. PATMAN. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 27, at the end of the paragraph in line 21 insert the following:

#### "SALES AND DISTRIBUTION ADVISORY COMMITTEES

"Sec. 5. (a) The Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or otherwise disposed of. The members of each such advisory committee shall be appointed from among persons who, by reason of their business experience, (1) are

familiar with the handling and marketing of such class of property, or similar property, and (2) shall include representatives of both small and large established retail and wholesale distribution firms and manufacturers where general manufacturer interest exists. (3) Members of these committees shall serve without pay, but shall be compensated for their actual traveling and subsistence expenses while absent from their homes in performance of their committee duties.

"(b) The Administrator shall appoint a sales officer for each class of property to be sold or otherwise disposed of who shall consult regularly with the advisory committee for the particular class of property as to its orderly disposal. He shall (1) keep the advisory committee constantly advised as to the nature and amounts of surplus property coming within his jurisdiction for disposal and (2) shall meet at any time with the advisory committee upon request of a majority of the committee's members."

Mr. PATMAN. Mr. Chairman, the gentleman from Indiana [Mr. HALLECK], and I, as former ranking minority member and chairman, respectively, of the Committee on Small Business of the House, have prepared four amendments which we propose to introduce to this bill. This is the first one to be presented. It has the approval of the Select Committee on Small Business. It has their unanimous approval and I urge its adoption.

On Monday I appeared before the Committee on Rules and offered the comment that I regretted the measure did not contain a provision for the appointment of sales and distribution advisory committees on which both small and large business interests could be represented in the case of each separate class of property. I was told that both the House Post-war Committee and the Committee on Expenditures in the Executive Departments favored this type of provision, but that no one had submitted the provision in such language that it could be included in this bill. To this end I offer this amendment and assume that it will meet with no objection from the membership of those two committees. The first paragraph of the amendment requires that the Administrator shall appoint a "sales and distribution advisory committee" for each class of surplus property to be sold or otherwise disposed of. Each committee shall consist of not less than nine members and representatives of both small and large firms normally engaged in the distribution and manufacture of the products in question shall be appointed to the committee. I have specified that small business shall be represented on those committees because I have no fears that large business will have any difficulty in finding its way to the proper sources of information in this connection as it has been doing for the past 2 years in connection with war contracts and other governmental matters.

The second paragraph requires the Administrator to appoint a "sales officer" for each class of surplus property to be sold. This sales officer shall keep the advisory committee for his class of goods constantly advised as to surplus coming within his jurisdiction for disposal or likely to be assigned to him for handling and distribution. He shall consult with

his committee at frequent intervals or whenever a majority of the committee's members request him to do so. I understand that this clause requiring the appointment of sales officers for each class of property is merely a confirmation of a policy which the present Administrator, Mr. Will Clayton, has already put into effect in a majority of his disposal agencies. But I feel that while we are writing this bill we should give the official approval of the Congress to that action, so that some possible change in the Administrator's office may not cause a different system to be put into effect.

The amendment is short and I believe it is clear in its meaning and intent. I urge its adoption.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman has referred to classes of property. Does he have in his amendment or in any subsequent amendment which is to be offered, any definition of the various classes of property?

Mr. PATMAN. It is pretty well known. The present Administrator has the property classified. I do not think there would be any difficulty in that respect.

Mr. HOPE. How many different classes of property are there?

Mr. PATMAN. I cannot tell the gentleman. I know there are quite a few, but we should have for each class of property advisory committees in order for the Government to get the maximum amount for these surplus properties.

Mr. HOPE. You would have probably as many different types and kinds of property to be offered here as you would find in the Montgomery Ward catalog and if all of these constitute surplus classes of property, there would be an extremely large number of advisory committees.

Mr. PATMAN. No; there are about 50,000 items in the Montgomery Ward catalog. Of course, many of them belong to the same class. For instance, the item of textiles might cover a large part of the Montgomery Ward catalog. Hardware would include a large part of the remainder.

Mr. HOPE. How many classes would the gentleman say there are?

Mr. PATMAN. I would not like to pass on that.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. ROLPH. Is it the gentleman's idea that these committees will be selected geographically? In other words, speaking for the Pacific coast, will we have representation on these committees?

Mr. PATMAN. It has not been broken down to that extent, geographically, I will say to the gentleman.

Mr. ROLPH. But it should be; does the gentleman not think so?

Mr. PATMAN. The present Administrator is trying to do that now. This is merely writing into law what he has already adopted; but we do not know what will happen.



Mr. ROLPH. But the gentleman thinks it should be in the law, does he not?

Mr. PATMAN. It should be in the law.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. Mr. Chairman, I am very much in favor of this amendment and I hope that it will be adopted. As I said yesterday, the job that was to be done in connection with the surplus property disposal is one of merchandising. It requires the best merchandising ability extant in the country and certainly a better job will be done if the best experience and ability obtainable are brought into the effort to the end that those who are directly charged with disposing of the property may have the benefit and the advice and counsel of those people. I might suggest in respect to the classes that classes of property are quite well known. There are things like machine tools and all sorts of different machine tools. Generally that is a class of property. There also is a class of property known as motor vehicles. That includes all sorts of different types of motor vehicles, and there are people in that industry who certainly know much more than the average man about selling motor units. Surely advisory committees composed of informed men would be most beneficial in disposing of this property, and would give the public confidence that the job was being done right.

Mr. PATMAN. Mr. Chairman, I want to thank the gentleman for his contribution.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi, Chairman of the Special Committee on Post-war Economic Policy and Planning.

Mr. COLMER. The gentleman from Texas made a statement a moment ago which I wish he would clarify or amplify. If I understood the gentleman correctly he said that these amendments had been submitted to both the Committee on Post-war Economic Policy and Planning of the House and the Committee on Expenditures in the Executive Departments and that they had the approval of those committees.

Mr. PATMAN. I am sorry the gentleman misunderstood me, I will read exactly what I said.

Mr. COLMER. Mr. Chairman, would the gentleman from Texas be kind enough to do so?

Mr. PATMAN. I said when I appeared before the Rules Committee on last Monday I was told that both the House Post War Committee and the Committee on Expenditures in Executive Departments favored this type of provision, but that no one had submitted the provision in such

language that it could be included in this bill. To this end I offer this amendment and assume that it will meet with no objection from the membership of those two committees.

Mr. COLMER. I just wanted to get that clear.

Mr. PATMAN. I am glad that the gentleman from Mississippi raised that point.

Mr. COLMER. I just wanted to make it clear as to the position of our committee.

Mr. PATMAN. I hope the gentleman will support the amendment.

Mr. FOULSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FOULSON. I want to say to the gentleman from Texas that I am heartily in accord with that amendment. I would like to ask this question: Is it not true this is not entirely a job of salesmanship, but that there is such a thing as overselling? We have \$16,000,000,000 worth of consumer goods which we have to absorb in the normal channels of our economy, and it is not entirely a question of selling it, and for that reason I believe on this advisory committee there should be also some people who understand the problems of the consumers and of labor and the like in addition to the well-meaning intent which the gentleman from Texas has brought out in his committee?

Mr. PATMAN. It is presumed that the Administrator and the advisory group that is named in the bill in section 4, will properly look after the consumer. That is strictly a sales proposition. It is the biggest merchandising job in the history of our country.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLAND. I am concerned to know just how this will affect the disposition of ships which are engaged in international trade all over the world. We have a bill pending before our committee at the present time.

Mr. PATMAN. I understand this bill specifically exempts ships. That is my understanding.

Mr. BLAND. That problem has an international implication.

Mr. PATMAN. Since they are exempt entirely from the provisions of this bill, my amendment would not have anything to do with ships.

Mr. SABATH. I think the gentleman from Virginia is correct. They are exempt from the provisions of the bill.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN. Under the terms of paragraph (b), as I read it, there will be appointed a sales officer for each class of property?

Mr. PATMAN. That is being done now.

Mr. COCHRAN. Now, will they dispose of the property and not the Administrator?

Mr. PATMAN. No; the Administrator has charge of it.

Mr. COCHRAN. He has charge of it, and they will dispose of it?

Mr. PATMAN. They are acting for him.

Mr. COCHRAN. Then you are going to set aside the disposal officers provided for by the Administrator?

Mr. PATMAN. No. It is really the present set-up, written into law.

Mr. COCHRAN. In view of the amendment adopted a few moments ago, all of these people will have to come from the civil service, will they not?

Mr. PATMAN. Well, I do not know. I do not want to get into that discussion.

Mr. COCHRAN. The gentleman had better think about that, because that amendment has already been adopted.

Mr. PATMAN. I hope my amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

From a reading of the amendment, I want to ask the gentleman from Texas [Mr. PATMAN] if his amendment were adopted, if every one of these people would not come under the civil service, according to the amendment just recently adopted?

Mr. PATMAN. I am unable to inform the gentleman because I do not know. That is a separate question. We are just asking for advisory committees.

Mr. COCHRAN. I just brought that up at the conclusion of the remarks of the gentleman from Texas.

Mr. PATMAN. These advisory committees will serve without salary.

Mr. MANASCO. Yet they must be appointed under the provisions of section 3 of this act, and they must be under civil service.

Mr. PATMAN. I cannot answer that, but that would be no reason for not having advisory committees.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VORYS of Ohio. Certainly the gentleman would not contend that the Secretary of State and the Secretary of the Treasury, mentioned in Section 4, as members of an advisory committee, would need to comply with the Civil Service laws?

Mr. MANASCO. No, because they are specifically exempted under existing law.

Mr. VORYS of Ohio. They are not exempted by this bill.

Mr. MANASCO. But they are exempted under the Classification Act. I do not think that Section 4 means anything in the bill at all. It would not do any harm if it were stricken, because it is purely an advisory board. But under the terms of the amendment offered by the gentleman from Texas [Mr. PATMAN], if I am not mistaken, then these advisory boards would have control over the disposition of this surplus, and instead of advising the disposing agencies, such as the Procurement Division of the Treasury or the War Department who will have charge of the disposition of these surplus properties, it will be tying the hands of the Administrator. He simply makes the policy and decides when the surplus is to be disposed of.



Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. The gentleman's amendment provides for a sales agent.

Mr. MANASCO. If I understand the amendment it provides for a sales agency itself. If his amendment is adopted we do not need any further legislation on this subject.

Mr. PATMAN. The gentleman is mistaken about that.

Mr. MANASCO. I may have misunderstood the reading of the amendment.

Mr. PATMAN. If the gentleman will read the second paragraph it is very plain.

Mr. MANASCO. We have over 700,000 commodities to be disposed of. You will have girdles, hose, shoes, airplanes, and all kinds of commodities. Are we to have an industrial committee representing each of the manufacturing interests in this country? I do not know how many thousand kinds of establishments we have, but if that is what is contemplated, each of these industrial committees will go to this Administrator and say: "We cannot afford to let any of this surplus be dumped, because it will destroy our business." We will wind up having all the surplus stored in warehouses throughout the country. The Congress itself will be criticized most.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MAGNUSON. The small businessman may be very much interested in this but how can the small businessman or the consumer come to Washington to serve on these committees? Would you not get in the same position as you are today with the War Production Board?

Mr. MANASCO. That is correct.

Mr. MAGNUSON. Where big business serves on the advisory boards and on the particular division that is handling his particular commodity.

Mr. MANASCO. I may say that the men who are serving on the War Production Board would not be doing so in time of peace. They think it is a part of the war program.

Mr. PATMAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. PATMAN. This amendment specifically says that small business shall be represented, in order to correct the very thing about which the gentleman from Washington [Mr. MAGNUSON] complains. Obviously, big business will be represented. This requires small business to be represented.

Mr. MANASCO. Of course, anyone who represents the United States is supposed to represent all business. He is supposed to represent small and large.

I sincerely trust the Committee will see fit to vote down this amendment, because I think it would destroy the very purpose of the orderly disposal of the surplus property.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. MANASCO] has expired.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rather hesitate to detain the Committee. The gentleman from Texas [Mr. PATMAN] stated that he understood the committee had rather assented to the proposal. With all due deference, as far as the Committee on Expenditures is concerned, there is no such assent.

Mr. COLMER. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COLMER. I asked the gentleman from Texas [Mr. PATMAN] about that, and I think we both misunderstood him. He said he assumed there would be no objection.

Mr. WHITTINGTON. That assumption is contrary to the fact.

Mr. PATMAN. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. I appeared before the Rules Committee and I discussed this very amendment, and I drew the inference from what the gentleman stated there that they were for something like this but they could not get the language up that would carry it out.

Mr. WHITTINGTON. I do not question the gentleman's inferences. Permit me to say that the committee, in its report, and in the debate, specifically states that this bill provides for the continuance of the policy that is being pursued by the Administrator, to wit, the appointment of advisory committees. As far as the gentleman's amendment relates to the appointment of an advisory committee, there is general consent. We gave two specific illustrations, that when they came to dispose of trucks, they had an advisory committee. When they came to dispose of airplanes they had an advisory committee. That policy will obtain, and we are for that. But the second part of the gentleman's amendment was never discussed as I recall. The gentleman did not publish it in the RECORD and in all kindness, if that part of the gentleman's amendment obtains, it is utterly contrary to the principles of this bill.

Mr. PATMAN. Will the gentleman yield?

Mr. WHITTINGTON. Just let me finish my statement and I will be glad to yield.

I say this bill provides for the utilization by the Administrator of existing agencies, in the disposal of Government property. There is a disposal agency. There is a declaring agency. The second part of the gentleman's amendment is revolutionary to the purposes of this bill and would provide for the appointment of sales agents ad infinitum. I do not have any idea what the cost would be. Nobody on the committee has ever in any way expressed any sort of assent to the monumental suggestion that sales agents be appointed for all classes of property. I understand there are about 2,000,000 different kinds of surplus property. With all due deference, we emphasized time after time, that under the terms of this bill, advisory committees

are contemplated. Little business is recognized in the "objectives," and in order that there may not be any question about it, it is repeated under "policies." So that the inference that the gentleman would have been justified in drawing was that we were favorable to the utilization of advisory committees. We are favorable to according to little business plants every possible consideration, and we have adopted the best language we could. But at no time did we ever provide or ever in any way agree to the absolute substitution or to the proposal of sales agents for the fundamental policy in this bill which utilizes the disposal agencies as provided in the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Gladly.

Mr. PATMAN. The gentleman, of course, contemplates that the agencies will have the same class of property for sale; so this contemplates a sales officer for each class of property. That is coordination of effort instead of diffusion and confusion of effort. So it cannot replace the theory embodied in this bill at all. It will make for coordination of effort in each class—not 2,000,000 articles, but each class only.

Mr. WHITTINGTON. Just a moment. The gentleman provides for the appointment of sales officers for each class of property.

Mr. PATMAN. Each class—

Mr. WHITTINGTON. Just a moment, please; the gentleman has stated that time and time again and that is utterly contradictory to the fundamental principles of this bill. The hearings disclose that we have a hundred statutes for the disposal of property. The Administrator has concentrated the disposal of property in about 10 agencies of the Government and they are named as the disposal agencies. He mentioned specifically the procurement division in the Treasury Department, whereas the gentleman by his amendment would appoint a sales agent for each class of property. The procurement division would be the one division to provide for the disposal of many classes of property that has been accumulated whether it was confined to one class or type of property or not.

In my judgment the amendment should be voted down.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLMER. Mr. Chairman, I do not expect to utilize 5 minutes. I want to point out to the House merely that this is a perfect illustration of trying to write legislation upon the floor of the House. The gentleman from Texas, my warm personal friend, who is always so ready and willing to press with all the ardor and vigor and effectiveness of his being for the objectives he seeks, frankly admits here on the floor of the House that he does not know how many committees will be set up, does not want to



comment on that. I believe that was his language, and yet he is going to set up these advisory committees which the gentleman from Mississippi has already pointed out are being utilized. If this were a bill to relieve unemployment I would be for the gentleman's bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just 1 second, please. There are over 700 advisory committees now down here in the War Production Board. Those committees are being utilized by the Administrator and will be utilized by him. It is reasonable to assume that if the gentleman's amendment is adopted we shall have at least 700 more advisory committees of 9 men each. Nine times 700—you can figure it for yourself—6,300 men. At what? \$25 a day? We want to realize something out of the salvage of this surplus property; we do not want to pay it all out in administration. I think this would just upset the whole apple cart and defeat the objectives we are seeking.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Certainly.

Mr. PATMAN. The gentleman is not fair in his reference to the War Production Board; there is no reason to compare it to the War Production Board; it is entirely different.

Mr. COLMER. I have got to compare it with something.

Mr. PATMAN. This is a resolution for the disposal of property.

Mr. COLMER. Certainly.

Mr. PATMAN. And it all falls within certain classifications; there are not many classes.

Mr. COLMER. No one knows how many classifications there are; there are thousands.

Mr. PATMAN. The number of classes is not large.

Mr. COLMER. I have reason to assume from my knowledge of the subject that there would be more than 700 committees.

Mr. PATMAN. Oh, the gentleman is entirely incorrect; there would not be more than 50, or maybe not 25. This amendment refers to classes of property.

Mr. COLMER. At last we have got the gentleman to commit himself on how many there will be.

Mr. PATMAN. Yes; I do not believe there will be over 50.

Mr. COLMER. I believe there will be 700.

Mr. PATMAN. If there were 50, they would be justified.

Mr. COLMER. The point I am making is that we cannot write legislation of this kind on the floor of the House.

Mr. PATMAN. If the gentleman will yield once more, in another committee of the House we have been giving this subject consideration for a year or more. This is not something brought up on the floor without consideration.

Mr. COLMER. But the gentleman cannot give us any exact information on it.

Mr. PATMAN. Not the exact number; but we can decide the principle.

Mr. COLMER. I must yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman says we have got to have advisory committees.

I say we have got to have men with merchandising ability. Unless we do have men with experience in merchandising and selling we are not going to be able to get much out of this.

Mr. COLMER. Will the gentleman get some time in his own right?

Mr. HALLECK. On this matter of advisory committees, if they are presently being used under regulations and orders of the Administrator then why should they not be hereafter used under the legislation written by the Congress of the United States?

Mr. COLMER. Because nobody knows how many of them will be needed.

Mr. HALLECK. I take it that anyone with a reasonable understanding would figure that when you set up the advisory committees from a particular industry the number would be limited; and those men because they know the problems could help sell this property to the best advantage.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS of Ohio. Mr. Chairman, I have an amendment to the amendment which I wish to offer.

The CHAIRMAN. Is it a substitute to the amendment?

Mr. VORYS of Ohio. No; it is an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: In the first line of the Patman amendment after the word "appoint" insert a comma and the following "without regard to the provisions of the civil-service laws and the Classification Act of 1923."

Mr. VORYS of Ohio. Mr. Chairman, this amendment merely makes specific what I believe is already intended in the Patman amendment; that is that these volunteer advisory committees are not to be subject to the civil-service laws.

I was one of those who voted for the amendment offered by the gentleman from Minnesota recently to put all of the hired help and the regular people of this establishment under civil service, but, of course, this advisory committee is no more contemplated as being subject to the civil service than is the advisory committee set up under section 4 which provides a number of Cabinet officers and other alphabetical officials to act in an advisory capacity.

I am very much in favor of the amendment offered by the gentleman from Texas [Mr. PATMAN] providing for these advisory committees; but whether you favor the amendment or not I think it is perfectly clear that none of us want to have this inadvertently brought under civil service when this is the type of advisory committee that runs all through the present war agencies, and in these existing agencies are not subject to civil service. I hope therefore the amendment will be agreed to.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. HOPE. Would the gentleman's amendment also exempt the sales man-

agers and their staffs, men who might be appointed to dispose of all these special classes of commodities?

Mr. VORYS of Ohio. It would not.

Mr. HOPE. It simply exempts the advisory committees?

Mr. VORYS of Ohio. This simply exempts the advisory committees.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. WHITTINGTON. The gentleman, of course, understands that the vice we referred to is not contained in this amendment. The vice in this amendment is section 3 that provides for the appointment of these sales agents. They are already provided for.

Mr. VORYS of Ohio. Incidentally I differ with the gentleman on that; I believe the sales agents are a good thing. This amendment, however, is an amendment to paragraph (a) providing for the advisory committees. It will have nothing to do one way or the other with the sales agents.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield further?

Mr. VORYS of Ohio. I yield.

Mr. WHITTINGTON. With all due deference to the disposal agencies defined in the bill, this amendment would set up another agency at variance with those provided in the bill, would it not?

Mr. VORYS of Ohio. I do not think it would if it were administered in the spirit of the legislation and within its four corners. As I understand it, the bill contemplates that existing agencies will be used as disposal agencies, but that such agencies will dispose of goods in accordance with regulations issued by the Administrator.

I would think that the sales officers would simply be representatives of the Administrator to see that the existing agencies would dispose of the goods in accordance with the regulations of the Administrator. I am not the author of the Patman amendment and I do not propose to explain it, but it seems to me that is what it clearly means, just as the advisory committees operate that are already in existence. I imagine that the Administrator will have some sales officers and will not rely upon his own omniscience in determining all of the questions in administering this vast matter.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I do not wonder that the gentleman uses the word "imagine" because he hits the nail on the head. Under this bill the disposal agencies are named and this amendment sets up sales agencies, utterly without regard to the disposal agencies named in the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. Chairman, I have the utmost confidence in the sincerity of the gentleman from Texas who has offered the original amendment and if I thought for 1 min-



ute it would add in any way to the protection of the rights and interests of our Government I would favor it, but I am fearful it will not do so because, after all, the responsibility should rest on the Administrator. If the Administrator is honest, sincere, efficient, and capable, he will surround himself with able, efficient men who will safeguard the interests of the country. If he is not, he may designate persons to relieve him from his responsibility. As has been stated, we have about 700 of these advisory boards now serving in various agencies. Who are the gentlemen composing these advisory boards? Invariably they are representatives of these large industries that are put on the inside who obtain information against the interests of the small businessman in whom you Members are interested.

Mr. PATMAN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. PATMAN. That is one of the objects of this amendment, to make sure that the small businessman will be represented. As it is now there is no assurance.

Mr. SABATH. I appreciate the gentleman's aim and I am with the gentleman in his ideas and in his desire to safeguard the interests of the small businessman. I have cooperated in every way, but I am fearful that we might relieve the Administrator of his responsibility in safeguarding the interests of the country by providing for these advisory boards. He might say: "Why, the advisory board advised me to sell this or give this away," or to do this or to do that. We must hold him accountable and responsible in this important position to which he will be appointed, and I care not who he is. I hope that he will be an honest-to-God, able, sincere man who will safeguard the interests of the country and our taxpayers. I feel that we should not divide the responsibility.

Mr. Chairman, I agree with much the gentleman from Texas [Mr. PATMAN] has said, but who is going to appoint these members of the advisory committee? The Administrator will designate them or someone will do so under his direction. Therefore, I believe that the object sought by the gentleman from Texas in his proposed amendment cannot be accomplished.

I believe, as I stated yesterday, that the bill is carefully and splendidly written. It appears to place the proper safeguards for the handling of the vast surplus properties that must be orderly disposed of. To that end we must place the authority and responsibility for the disposition of it in someone. There is the proverb "Too many cooks may spoil the broth," and I repeat, though I sympathize with the aims of the gentleman from Texas, I feel that only a man experienced and possessing real executive ability, without previous attachment to special business interests or cartels, should be designated as Administrator and held solely responsible and should not be permitted to unload the responsibility of any overt acts in connection with the disposal of the surpluses upon

an advisory committee or a member thereof, such as has been done in many instances in the past in some Government agencies. Should the Administrator fail in the performance of his duty or fail to protect and properly look after the interests of the Government, Congress should act without delay and remove him.

Mr. COCHRAN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Missouri.

Mr. COCHRAN. I would like to call the attention of the members of the committee to a question asked Mr. Clayton in the joint hearings by the gentleman from New York [Mr. FISH].

Mr. SABATH. Two smart men.

Mr. COCHRAN (reading):

Mr. FISH. Mr. Clayton, I want to congratulate you and commend you. This bill as far as I have read it is a sound proposition. My only criticism so far is that you may have too many on the Board, not too few, and it may be unwieldy.

Mr. SABATH. That was the statement of the gentleman from New York [Mr. FISH]?

Mr. COCHRAN. Absolutely.

Mr. SABATH. Unfortunately the statement of the gentleman from New York creates a doubt in my mind because this is the first time that the gentleman from New York has approved of anyone that the President has appointed to any position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to change my own amendment by striking out section (b) and leaving section (a) in it—the first part.

The CHAIRMAN. The gentleman from Texas [Mr. PATMAN] asks unanimous consent to modify his amendment by striking out the second section.

Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PATMAN, as modified: Page 27, after the period in line 21, insert:

"Sec. 5. (a) The Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or otherwise disposed of. The members of each such advisory committee shall be appointed from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property, or similar property, and shall include representatives of small and large established retail and wholesale distribution firms and manufacturers where general manufacturer interest exists. Members of these committees shall serve without pay, but shall be compensated for their actual traveling and subsistence expenses while absent from their homes in performance of their committee duties."

The CHAIRMAN. It will be understood that the amendment offered by the gentleman from Ohio is pending to the modified amendment.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention to the situation we are getting into with this advisory-board matter. We have set up in section 4 an advisory board with absolutely no power and no authority, composed of the Administrator, all of the Cabinet officers, and the heads of almost all the agencies in the Government. It does not amount to anything and it will be absolutely ineffective. I do not know how far these advisory boards that are being set up with reference to each industry could go if the amendment offered by the gentleman from Texas should be adopted. I am hoping that something will happen so that the Administrator will begin to get rid of some of this surplus property, which is something that has not happened yet on any large scale or in any intelligent way. Some things have been done but nothing has been sold of any account. That is where the trouble lies. We have not had intelligent selling and we have not had a good business management of the job. I am hoping that before we get through something of that kind might result. If we make this thing real cumbersome I am afraid we will not get anywhere at all in the Administrator set-up.

That is what I am afraid of about these committees. I think this advisory board set up in section 4 of the bill is absolutely and totally worthless. Whether the ones in the individual industries might be some good I doubt, but I would not oppose them. On the other hand this board set up here is just an absolute liability.

Mr. RANDOLPH. Mr. Chairman will the gentleman yield?

Mr. TABER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. May I say to the gentleman that when Mr. Clayton testified before our committee he said that he looked upon an advisory board as an active board. He used that expression, and said that in his capacity, working, of course, under directive rather than the law of the Congress, he had been meeting with the advisory group once a week and not less often than twice a month, and he felt that they were helping him and were active with him in making decisions.

Mr. TABER. Did he mean this group here?

Mr. RANDOLPH. That is correct; yes.

Mr. TABER. Perhaps that is the reason we are not getting anywhere.

Mr. RANDOLPH. He pointed out, I may say to the gentleman—and I can understand his opposition to certain individuals that might be in this group—that the secretaries themselves in many instances have been sitting in on the conferences. He mentioned Mr. Donald Nelson who attended two or three meetings, indicating that there were individuals who were trying to help him do this job.

Mr. TABER. I would think Mr. Nelson would, but I think most of that set-up would not be effective and would not be efficient and would not contribute anything toward getting the job done.



Miss SUMNER of Illinois. Mr. Chairman, I rise in support of the amendment. I do not want to make a formal speech, but I want to recall to the members of the Committee on Banking and Currency and others in connection with the O. P. A. bill that there have been distinct complaints from every industry which appeared at the O. P. A. hearings that they had not been given proper representation. Almost every industry demonstrated that mistakes were made that would not have been made if an advisory committee had been set up, as it was supposed to be in the law. On the other hand, we had a similar situation in W. P. B. Some of us are personally familiar with it. For example, the farm implement situation was in a deplorable condition, as indicated in the Truman report. I know personally that some of the members on those advisory committees were the ones that helped bring some kind of reform to that situation. I know also that it happened in other committees. The high value of such committees has already been proved. I think we are going backward if we omit these industrial advisory committees.

Mr. PLOESER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Missouri.

Mr. PLOESER. The practice followed in O. P. A. was then to decide the policy and then invite in the advisory committees and go through the sham of making them believe that you were taking their advice. The minute they got out of town you announced your ruling, and it was the ruling decided upon before they were invited in. If the same fraudulent intention existed in the administration of either this act to be or any other, of course you would get the same result.

Miss SUMNER of Illinois. Of course.

Mr. PLOESER. But it did have this effect in O. P. A.: It brought the spotlight of industry criticism on them, because they did have an opportunity to look in on each case. It can be most helpful, and that is why I intend to support the amendment.

Miss SUMNER of Illinois. That law provided for industrial committees, and the O. P. A. did not make them effective. That was the O. P. A.'s fault. But if we in Congress pass this bill, after refusing to vote for this amendment, we are in the position of saying: You shall not have the legal right that advisory or consulting committees be appointed.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

The Judiciary Committee has recently had a somewhat similar experience to that had by the committee reporting this bill. Nobody is more opposed than I am to these general grants of power. A committee, in shaping up legislation of this sort, finds a great many objections to giving the power to the Administrator proposed in this bill, and proposed in the bill for the quick change from war to peace production when the war shall end. But after you mull the thing over you find that you have to give responsibility to somebody to do the job. War is an abnormal thing. Neither war, nor dealing with some of the results of war,

can be carried forward through the normal processes of democratic government. These periods of semi-suspension of democratic processes are the periods of greatest danger to democracy; first, because a people may not confer to executive agencies the powers necessary to provide the strength and rapidity of motion necessary to the most efficient conduct of the war and, second, if that is done, not preventing these emergency powers from becoming permanently located in these agencies, it is our responsibility to do the one and not permit the other to occur. This is not a thing we like to do. It is more responsibility than anybody ought to have in peacetime or any time if possible to avoid which we are proposing to confer, but it is an unusual situation and it is an unusual proposition that we have to deal with. You can try to divide responsibility, but you probably only add to inefficiency. If the Administrator is a level-headed man, he will seek good advice and appoint good advisers. He will seek the advice of people who are advised and who are informed if he is the right sort of administrator, and trying to do a good job. If he is not the right sort of a man and trying to do the right sort of a job, you cannot do anything about it by legislation. That is just where you get to. I do not want to be in the attitude of giving any expert advice about the thing, because I am no expert. But here is a committee, I assume, that has carefully investigated and brought a bill in here. We are attempting to rewrite the bill on the floor of the House. That is a great responsibility for Members to assume. Some of these proposed amendments are far reaching. More than amendments in the ordinary bill. They propose a substitution of the judgment of an individual Member, plus his persuasive ability for the plan of the bill.

These amendments are suggested by sound objections to this character of proposed procedure, but it is not as though we had an opportunity to choose a good road in which there are no culverts out and no ruts. There is no road that we can travel on and arrive at the intended destination that is a smooth road and free from danger. I do not know whether Mr. Clayton is the man who is going to be selected or not. He is one of the wisest and best advised men of fine character that I know of, and, I believe, a patriot. If this responsibility is to be given to him or anybody else, he ought to have the power to act. If there is to be responsibility, there must be attached adequate powers. Congress should be as vigilant as possible, observing how these powers are exercised and rendering every possible help. A vigilant public interest and a concerned public opinion must stay on the job. When the war is over these grants of extraordinary power must be recalled as soon as possible. Associated with their grant, while recognizing their necessity, in this necessity we should also recognize their emergency character and their dangers. Congress cannot dispose of this property. It must be done by the executive branch of the Government. It is an Executive act. Congress should safe-

guard as much as possible, but however much we may hesitate to do it in large measure after setting up in the law a declaration of policy and a suggestion of basic procedure subject to their provisions and congressional and public vigilance the Administrator must not be so reduced in power and discretion as to provide an excuse for a lack of efficient performance.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize it is a very difficult responsibility to try to write legislation on the floor of the House, but it is a custom that has been followed by the introduction of amendments on various bills. I think if some of the amendments that have been offered here today had been written into the bill, possibly the amendments that are now suggested would not be so necessary. I refer to the amendment offered by the gentleman from California [Mr. POULSON], an amendment that was backed by the judgment of the National Manufacturers' Association of America, the National Chamber of Commerce of America, and I understand by some of the larger labor organizations. After all, they are a part of our people, they are a large part of the economy of this country. They had quite a bit to do with building the machinery to win this war. We are their representatives. I just wonder if we, as the representatives of 130,000,000 people, can afford to allow all of this power to be placed in the hands of an administrator without seeking to give him the advantage of certain advisory boards picked from men who have had vast and long experience in business. I wonder what the people back home will think of us.

I have a great respect for the Manufacturers' Association and the men that make it up, and the chamber of commerce, because it goes down to the very small towns and villages all over this country. They are not all economic royalists. I have respect for their judgment, I think we owe them something, and I think we should remember that they speak for a large section of business in this Nation. Proper supervision and administration of this enormous task is of keen interest and will affect the laboring men and the consumers of this country.

I am inclined to believe that if, as has been said, there are a great many advisers now being used by Mr. Clayton, it would not hurt if this amendment were to be adopted. Then he could select some of those advisers, with many of whom he is probably now advising, and add to them men from small business and big business over this country to help do this great job that means so much to the economy and the future prosperity of our Nation, and to reconversion, and so forth.

I do not often agree with the gentleman from Texas, but I believe he has come up this time with something that is quite worth while. I am glad to know that one of our gentlemen on the Republican side of the House collaborated



with him. Maybe that had some influence.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. They talk about writing this bill on this floor. It is not being written on this floor at all. This subject has been in several committees. They have shopped around until they finally got it to this committee. It was over in our committee. We all studied it and talked to Clayton and everybody else. We have talked about industry committees. It is not a new idea.

Mr. VURSELL. That is right; but will not the people feel just a little bit better throughout the length and breadth of this country if, when this bill is finally passed, they can say, "Well, the Congress didn't exactly throw it all into the hands of one man; they tried to set up some safeguards to protect the merchants, the business people, the farmers, and all the people of this country"?

I think it wise to adopt this amendment, and I shall be very happy to support it. I hope other Members will support it.

Mr. WHITTINGTON. Mr. Chairman, I offer a substitute amendment to the Patman amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON as a substitute for the amendment offered by Mr. PATMAN: In lieu of the matter proposed by Mr. PATMAN insert the following:

"Advisory committees:

"(a) The Administrator may appoint one or more advisory committees to advise and assist him in the performance of his functions under this act. Such advisory committees shall be fairly representative of the interests of labor, agriculture, and industry and commerce, large and small, and the various sections of the country.

"(b) Any disposal agency, with the approval of the Administrator, may appoint such committees as it deems necessary or desirable to advise and assist the agency in connection with the care and handling, and disposition of surplus property under this act.

"(c) The Administrator shall promptly notify the Attorney General of the appointment of any committees under this section and of the nature of their functions. Membership on any such committee or participation in its activities shall not constitute a violation of the antitrust laws of the United States or the Federal Trade Commission Act."

Mr. WHITTINGTON. Mr. Chairman, as I see it, the matter proposed by the gentleman from Texas would more properly come under section 19 of the bill. We have repeatedly stated that the Administrator is now utilizing advisory committees. They are not authorized in the bill in so many words, but under section 19 and under the general provisions of the policies and procedures he is following they are authorized.

As a member of this committee, I asked a representative of the general counsel of the Administrator to propose language that would be available if it appeared that the House would like to have a definite provision that the Administrator was authorized to appoint advisory committees, and this is the language that was submitted to me by the

general counsel. It is in line with the policy that is being pursued. It is not original with me. I have thought it out as best I could, and it strikes me that the language of the gentleman from Texas to the effect that the Administrator shall appoint a sales and distribution advisory committee of not less than nine members for each class of property which is to be sold or disposed of has to do with distribution. The Administrator is pursuing a much wider and a much more liberal policy in the selection of his committees.

In order to make sure that there may be no misunderstanding whatever that it is his policy to utilize advisory committees, I offer this substitute so that it will be definitely stated in the bill, as has been suggested by a number of Members of the House during the debate.

The gentleman from Texas [Mr. PATMAN] conceded, by withdrawing the second paragraph of his amendment, that whole amendment would go far afield. At least that is the effect of his withdrawing it. It strikes me now that there are two agencies here that are entitled to advisory committees. One of those agencies is the Administrator himself. The other agency is the disposal agency. There is no provision here to enable the disposal agency to have the benefit of these limited agencies set up by the proposed Patman amendment. The amendment I propose is in language that the general counsel has, I am sure, carefully considered, and it will put in the face of the bill just what he has been pursuing under the language of section 19. The policies and procedures will be continued except where they are in conflict with this act.

Therefore, I urge the members of the Committee, in the interest of orderly procedure, to adopt the proposal that I offer, which has to do with advisory committees not limited to distribution, not limited to sale, but all advisory committees that may be essential or necessary to the Administrator and to the disposal agencies in the discharge of their duties and in the performance of their functions.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Indiana.

Mr. HALLECK. Unfortunately, I was called to the telephone when the gentleman first started speaking, but I have examined his amendment. Do I correctly understand that this is a permissive proposition, leaving the matter of the appointment of the committees wholly to the discretion of the Administrator?

Mr. WHITTINGTON. It is, whereas the language in the amendment proposed by the gentleman from Texas [Mr. PATMAN] makes mandatory the appointment of selling agencies or, to use his language, distribution advisory committees only.

I do not limit it to distribution. I do not limit it in any particular. It gives the authority to appoint them and it gives permission. But I will say this as a businessman, if I may so presume to say, that there may be cases where neither he nor the disposal agency would require an advisory committee.

But this gives him full authority wherever he feels the need of advisory committees. I can imagine property being disposed of without the necessity of conferring with the advisory agency. So I think it would be unwise to require that he should appoint an advisory agent for the disposal of every kind of property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute to answer the gentleman's question if I can.

Mr. HALLECK. Mr. Chairman, I would just like to say that instead of having some committees it may well wind up, if the substitute amendment offered by the gentleman is adopted, that we would not have any committees. To my mind the value of the committee is in the distribution end of the job. They are to be the people who will advise in respect to distribution. So it seems to me that the committee, as provided for in the amendment offered by the gentleman from Texas, meets that purpose. I think it is wholly within the responsibility of the Congress to say that these committees shall be appointed because we have found that wherever in any of these operations of Government such committees have been appointed and have been consulted, as I hope they will be, they have been of value.

Mr. WHITTINGTON. As far as the gentleman goes I agree with him. But I think it will be a mistake to limit it to disposal. He will need advisory agencies in formulating his policies and in undertaking to dispose of the large plants. This will give him discretion. It will give him the discretion you speak of, which you advocate and which I favor, but it will not limit him to that discretion in merely having advisory agencies for the disposal of goods.

Mr. HALLECK. Of course, if it is to be left to a matter of discretion, he can ask at any time for advice offered on the record. I want to provide in the law as a matter of record that it is the consensus of the views of the Members of Congress that advisory committees shall be appointed and shall be consulted.

Mr. WHITTINGTON. Yes, but the gentleman from Indiana just says "advisory committees for distribution purposes only," and the substitute I offer is broader and provides for advisory agencies for all purposes, including distribution, and the attaining and accomplishing the objectives and the policies of the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. First, the position of the gentleman was that he should not have any power and now he wants to enlarge on it.

Mr. WHITTINGTON. I beg the gentleman's pardon. I have not said he should not have power to appoint advisory committees, with all due deference. I stated under section 19 that the Administrator, as has been repeatedly stated, had the power, but I further stated in response to such questions as



that propounded by the gentleman from Illinois and others, to make it clear, that we insert language expressing the policy that he has been pursuing by the adoption of this substitute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

- Mr. Chairman, I have listened rather attentively to the discussion on this bill and particularly to the impasse which seems to have been reached in connection with the amendment offered by the distinguished gentleman from Texas and the substitute amendment offered by the gentleman from Mississippi. I confess I am somewhat confused. I appreciate full well the objective which the distinguished gentleman from Indiana has in mind, namely, that an assurance of some kind shall be given to the people of America that in the handling of this surplus property somebody, some place, somewhere, will be in a position to have something to say about it besides the one man that is appointed as Administrator. So in answer to that feeling that we are granting great power to an administrator, the gentleman offers an amendment which suggests that the Administrator himself shall appoint committees to advise him, to be chosen from industry and so on. Now I ask the gentleman from Texas, we will assume that his amendment passes and is written into the law, we therefore say to the Administrator who has this vast power, "You shall appoint advisory committees." That is all, and he appoints them. He may appoint 5 or 10 or 50 of them, whatever number there may be, 9 representing each class of goods to be disposed of, sold, and distributed. Now, where do we go from there in this picture and where is the public protected in any way, shape, or manner, because the Administrator has appointed some so-called advisory committees, whose advice he can take or leave as he pleases. There is nothing in this amendment and nothing in the bill which says the Administrator shall be bound in any way by the action of any advisory committee.

Is that not what we are striving for in connection with this situation? Then along comes the distinguished gentleman from Mississippi [Mr. WHITTINGTON], and he says he does not like the Patman amendment, because it is mandatory, so he offers an amendment which says that the Administrator may appoint some advisory committees if he sees fit, and if he in his discretion sees fit to appoint some advisory committees, why, he can appoint them and again he may take their advice or not, just as he pleases. Now, if that is the kind of protection that we are trying to provide in this bill, to deceive the American people into thinking that we are protecting them, I personally do not want any part of it. Either you are going to have these committees appointed with some power to act and some discretion, and some power to have their recommendations made effective, or else you are just creating a lot of new committees to come down here to Washington on a per diem basis, with expense and subsistence allowance paid

for, and have a good time sitting around talking about this thing, and then when they get all through with their recommendations, the Administrator, who is all-powerful, can take their recommendations or not, just as he pleases. Where is the protection, I would like to ask, which the dear public is supposed to have if one or the other of these amendments is adopted?

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Miss SUMNER of Illinois. Yes; of course, it is not as complete as if they could run it. But they feel they have protection. They so testified in the O. P. A. hearings. As a matter of fact they have rights. They come to you and me as their Representatives and say, "Look, this person is doing this which he should not do, or this man is stealing something." They go to the Truman committee. The first thing you know, it comes out in the papers and public pressure is brought to bear and something is done about it.

Mr. KEEFE. I have had some experience with advisory committees here in connection with the O. P. A. I had some experience with some of the orders that have been promulgated by the O. P. A. allegedly in connection with the advice of advisory committees.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman?

There was no objection.

Mr. KEEFE. Mr. Chairman, I am seeking light on this subject. I would like to know just exactly what the situation is going to be. I know that in connection with the O. P. A. one of the most severe things that has happened to the dairy industry in my State came as a result of the recommendations of the so-called advisory committee which was advising the dairy section of the O. P. A., but on which committee there were no real representatives of the dairy industry and on which committee there were representatives of the great trusts and monopolies in the dairy industry. There is nothing in this law to protect the people of this country against the capricious or arbitrary action of the Administrator by merely writing into the law that he may appoint advisory committees consisting of such people as he sees fit to appoint. Now if that is "protection" then I do not understand the meaning of that word.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the gentleman will permit, I will just say that these committees are just what the name indicates. They are advisory. They are intended to be advisory and are not limited as is proposed by the Patman amendment, but provide for all classes and all kinds of property disposal.

Mr. KEEFE. I want to ask the gentleman in all fairness, here is Mr. Clayton, for whom I have great respect. I think he would make a great Administrator. I happen to know him. He is one of the first men I met when I came to Washington. He is a splendid man.

I do not know whether he will be Administrator or who will be Administrator, but whoever is going to be Administrator will have to receive advice and assistance. No one man can possibly administer this job without receiving competent advice and assistance. It will be assumed, regardless of whether these amendments are in this bill or not, that any competent man, as Administrator of this great enterprise, will go out and surround himself with the very best and the most competent advisors he can get. I do not believe the people of this country are going to receive the benefit of any protection whatever by the inclusion of either one of these amendments in the bill. I, for one, do not want it said that I have voted for an amendment in order to curtail the fears of the people of America when in fact the amendment that I voted for does not do one single thing except to put a lot of words into this bill.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WHITTINGTON. After he has had advice, some might be for and some might be against; is it not fair to say that he shall have the final disposition and the final say?

Mr. KEEFE. Yes; and is it not fair to say that he can go out and appoint these committees without this amendment, and get that advice?

Mr. WHITTINGTON. Certainly.

Mr. KEEFE. He would do it whether it is in the bill or not?

Mr. WHITTINGTON. Certainly.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has again expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the substitute amendment. Mr. Chairman, the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON], does not add anything at all to this bill. I think the gentleman will admit that. Section 19 is the section in which this particular amendment was prepared to be inserted in the event it was needed, and not in section 4 at all. It relates to an entirely different section. Section 19 ratifies and confirms what has been done under the Executive order creating this Surplus Property Administrator and defining his duties. So this really does not do anything at all. I think, in fairness, the gentleman will admit that, if he is pressed, because it absolutely does nothing.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. Did I not state that neither your amendment nor this amendment should occur here, but should occur in section 19, but inasmuch as your amendment was up here I offered mine as a substitute?



Mr. PATMAN. Why becloud the issue when it does not add anything on earth to it? We are dealing with a separate part of this bill—not section 19. This is the disposition of it. The amendment offered by the gentleman from Mississippi is not compulsory. The O. P. A., law was implemented and helped more by advisory committees than any other one thing that this Congress has done in the writing of the O. P. A. law. It has been a wonderful thing in the O. P. A., and it will be a wonderful thing here. The fact that these people are represented and know what is going on and what has caused these policies to be made, will have a tendency to cause the people to be satisfied.

Now, I want to answer the gentleman from Wisconsin [Mr. KEEFE]. With reference to what the gentleman said concerning the Dairy Industry Advisory Committee, if they had been operating under a similar amendment to the one I have proposed here, that evil would not and could not have existed. In the first place the advisory committee, under this amendment, must be composed of experienced people. It provides "that appointment must be from among persons who, by reason of their business experience, are familiar with the handling and marketing of such class of property or similar property. Second, and shall include representatives of both small and large business."

The gentleman from Wisconsin [Mr. KEEFE] says that only large business was represented. So if an amendment like this had been passed to the O. P. A. law, those small fellows would have been represented the same as the large fellows, and the evil of which he complains doubtless would not have existed.

Furthermore, under the amendment offered by the gentleman from Mississippi, they can be put on the pay roll at \$5,000 or \$10,000—any number of them. It makes no difference. He does not provide that they shall only receive their expenses, like the amendment I have proposed, but he would put them on the pay roll.

So, the fact is, if you want an advisory committee we should write the word "shall" in there. You might just as well not have it if you do not. You know efforts are made sometimes to evade acts of Congress, and as securely as the O. P. A., was written, it was not until the last few months that that provision relating to advisory committees was fully carried out. The very minute it was fully carried out you have seen people better satisfied with the O. P. A. That was one of the toughest jobs ever attempted in the history of any country on earth, and yet, by reason of these advisory committees working with O. P. A., they had done a lot to satisfy the people of this country and let them know that the fair, right, and equitable thing was being done under all the circumstances.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WRIGHT. Is not the philosophy behind the gentleman's amendment the philosophy that the Administrator is going to do a better job if he is surrounded

by practical people that know something about the business?

Mr. PATMAN. Yes, sir. Certainly. This requires him to consult with those people. Of course, the gentleman says we should make it compulsory that he should accept their word. That question has been passed on. The question of whether we should have a board is where that argument should have been made.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VORYS of Ohio. The gentleman's amendment provides for advisory committees that serve without pay?

Mr. PATMAN. Yes.

Mr. VORYS of Ohio. The substitute says nothing about that, and presumably would give the Administrator authority to appoint any number of advisory committees with full pay under the civil service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Not only as to the sole disposition of surplus property, but as to everything else.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. My thought is that while I opposed it, all these committees are under civil service, whatever the civil-service requirements are.

Mr. PATMAN. May I say in conclusion, I hope the gentleman's substitute is voted down. It is a very weak stump speech. It is about the weakest stump speech that could be written into law. It does not mean a thing on earth. So the question is, Do you want advisory committees or do you not? If you want them, vote down the gentleman's substitute and vote for the amendment I have offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 57, noes none.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the substitute offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas [Mr. PATMAN] as amended by the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 71, noes 49.

So the amendment as amended was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 27, line 19, after the words "Civil Aeronautics Board" and a comma add the words "Civil Aeronautics Administration Administrator."

Mr. STEFAN. Mr. Chairman and members of the Committee, my amendment would, in my opinion, strengthen the hand of the Administrator. It seeks to amend section No. 4, which you will find on page 27 of the bill entitled "Surplus Property Advisory Board." I seek to amend this section by a slight change on line 19, following the words "Civil Aeronautics Board", by adding the words "Civil Aeronautics Administration Administrator." This would add to this very important Board the Administrator of the C. A. A., who at this time is Charles I. Stanton. You will recall that we only recently extended the Civil Aeronautics Act for 2 more years. The C. A. A. has vast amount of data and knowledge regarding the physical part of aviation. At this very moment the C. A. A. is engaged in the disposal of thousands of small surplus airplanes. These became surplus when the war-training program was liquidated. The C. A. A. knows many potential customers for our surplus aircraft. They are closely allied with the aviation industry and the aviation people of our Nation. They are closely allied with the members of the various State aeronautic commissions. At this very moment the State aeronautic commissions are studying the far-sighted program of the C. A. A., for post-war aviation. The Stanton plan of expanding our airport program from 3,000 to 6,000 airports is now being studied by the aviation-minded people of our country. In my opinion, the committee perhaps overlooked the fact that the Administrator of C. A. A. should be specifically named as one of the members of this very important Surplus Property Advisory Board. My amendment seeks to add him to this Board, and I hope the Committee will accept this amendment.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. RANDOLPH. The gentleman from Nebraska presents a subject which received much discussion when the committee was considering this bill. I asked Mr. Clayton if, in his judgment, it were more important to have the Chairman of the Civil Aeronautics Board upon the advisory board or the Administrator of the Civil Aeronautics Administration. He said that he believed it was more important to have the Chairman of the Civil Aeronautics Board, because the disposition of aircraft would more nearly affect the air transportation. It was my feeling then, and I believe the committee's feeling, that it would be advisable to include both in this board. I think the committee feels as does the gentleman. I would have no opposition.

Mr. STEFAN. The gentleman knows that the C. A. A. right now is engaged in the disposal of many aircraft. When we eliminated the W. T. S. program the



C. A. A. was given the job of disposing of the tremendous number of Piper Cubs and other planes. I am sure that if he were on this board he would be of much assistance.

Mr. RANDOLPH. There are two phases: There is the disposition of the larger aircraft which enter into air transport, and that is where the Civil Aeronautics Board comes in; then there is the disposition of these lighter aircraft, and that is where the Civil Aeronautics Administrator comes in.

Mr. STEFAN. I believe the amendment is in order, and I hope the committee will not oppose it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

The Clerk read as follows:

Page 27, line 22:

"REPORTS TO CONGRESS

"SEC. 5. (a) Within 3 months after the enactment of this act, and thereafter in January, April, July, and October of each year, the Administrator shall submit to the Senate and House of Representatives a progress report on the exercise of his authority and discretion under this act, the status of surplus property disposition, and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"(b) The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register."

Mr. CHURCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: On page 28, line 7, strike out all of lines 7 to 11.

Mr. CHURCH. Mr. Chairman, this amendment is offered in the interest of saving time and saving paper. I want the attention of the Members. I ask our chairman and others on the committee if they will not accept this amendment without a further remark?

After we finished our hearings and they were ready to print, Mr. Chairman, our committee did strike out section 5 (a) page 6 of the committee print. They are on page 6, lines 5 to 12, section 5 (a) of the bill. They read:

To assist the Congress in appraising the administration of this act and in developing such amendments or related legislation as may be necessary to accomplish the objectives of the act, the appropriate committees of the Senate and House of Representatives shall study the reports and information submitted to the Congress under this act and shall otherwise maintain continuous surveillance of the operation of the Government agencies under the act.

Mr. Chairman, we thought we were doing our duty and struck those words out.

Now, Mr. Chairman, go on down further on page 6 to lines 22 to 25, section 5 (c). There we find the same words in effect as I am striking from the bill, that we failed to strike:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from

time to time under this act within 30 days after the effective date of such regulations.

The section I am striking by my amendment is on page 28, lines 7 to 11, section 5 (b) practically the same words, except the last two lines. The words I propose to strike are these lines 7 to 11:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

The two paragraphs I have just read mean the same thing. The Register carries the regulations and indicates when they take effect. We read the Federal Register. Therefore in the interest of saving paper and time I ask for the adoption of this amendment.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. CHURCH. The gentleman then does not want to save paper?

Mr. MANASCO. I think the gentleman from Illinois is mistaken about the action of the committee. We did strike section 5 (a) out of the original bill because we felt it was the duty of Congress to devote its time so far as was necessary to this question. We did not, however, strike out the next two sections. We amended section 5 (c) of the original bill, which is section 5 (b) in the committee amendment, to read as follows:

The Administrator shall submit to the Senate and House of Representatives copies of the regulations prescribed by him from time to time under this act within 30 days after the publication of such regulations in the Federal Register.

Mr. CHURCH. Mr. Chairman, will the gentleman yield at that point?

Mr. MANASCO. Let me explain why we changed that. We changed the language of section 5 (c) of the original bill in this way, because when the regulations are promulgated or printed in the Register they are not going to take effect for 60 or 90 days. Why do we provide for delay in their effective date after the date of publication? Because Members of Congress want to study the regulations and understand them so they can advise their constituents who might be interested in acquiring this property. I do not have the Federal Register sent to my office because I am not interested in all the things published in it, but I know I can find these regulations and orders there when I need to. I do, however, want to know the regulations under which they are to dispose of this surplus property. It seems to me all of us ought to know something about it.

Mr. CHURCH. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman means he wants to know 30 days after the regulations have taken effect?

Mr. MANASCO. We are giving notice to the people and providing in this bill that they be given reasonable notice. When they print the regulations in the Federal Register that does not mean that

the sale is going to be made at the end of 30 days. It may be 60 or 90 days.

Mr. CHURCH. We will save some time here if we knock this section out. I am going to offer another amendment that I think is sensible. My amendment will strike these words out on page 28 in section (b) "Within 30 days after the publication of such regulations in the Federal Register" and insert in lieu thereof "Ten days prior to their being filed for publication in the Federal Register," then they will have notice and my chairman and the rest of us will have notice.

Mr. MANASCO. If the gentleman wants to put the responsibility on the members of having to advise all of their constituents 10 days before they publish these, that may be all right, but I do not want that responsibility. If the gentleman wants to offer that amendment I am willing to let the Members vote on it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCRIVNER. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER as a substitute for the amendment offered by Mr. CHURCH: Page 28, beginning at line 7, strike out all of section 5 (b) and substitute the following:

"(b) The Administrator and each Government agency shall submit to the Senate and to the House of Representatives any proposed regulation to be prescribed under this act. Such regulation shall be referred to the Military Affairs Committee in the Senate and to the Committee on Expenditures in the Executive Departments in the House of Representatives, and shall not go into effect until approved by the committees of both the Senate and the House of Representatives, or duly authorized subcommittees acting for the respective committees of both Houses: *Provided*, That failure of either committee to act within 15 days after the receipt of the draft of a proposed regulation shall be deemed the equivalent of approval by said committee or the subcommittee authorized to act for it."

Mr. MANASCO. Mr. Chairman, I reserve a point of order against the amendment just offered.

Mr. SCRIVNER. Mr. Chairman, this is not an original idea particularly because I am informed that—without holding any brief for English practices—this is similar to a practice which has been followed in the House of Commons for many years. We have read in recent weeks that the Supreme Court has held that regulations of these various governmental administrative agencies are law. We have also read in court decisions that things which are not prohibited in congressional acts are permitted.

We have here created a creature of the legislature which has more power and more facility of action than Congress itself in that these administrators may make a regulation today and revoke it tomorrow. The only way that Congress has of revoking any wrong or improper regulation issued by any administrator is, after public debate and hearings, by passage of a law repealing the regulation.



It is admitted this proposed amendment will make some work for the committee, but, after all, we are on duty 365 days out of the year. But, just the minute these administrators realize that they must present a regulation for approval to a congressional committee they are going to be sure it has merit and that they can substantiate everything in that regulation. In that way the House and Senate can be sure that any regulation prescribed by this Administrator will be in keeping with the principles and purposes set out in this bill. That is the only way it can be done.

If you wait, as proposed, until after the regulation is made and after it has been in effect for 10 to 30 days, it will be too late. The horse has been stolen; the ship has been sunk; the train has gone. There is nothing to do about it then except to try to repeal the regulation and by the time you get it repealed the damage will have been done. Congress in this act, as in others, has delegated all of its power to some one man, whether it is Mr. Clayton or someone else. Even though it means a little more work for each member of the committee or one-man subcommittees, this amendment will provide one of the ways we can protect the taxpayers of this country and the entire business and labor structure during the immediate future, when we start to dispose of this property.

Mr. ROLPH. Will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from California.

Mr. ROLPH. Did I understand the gentleman to say that these committees will pass finally upon these regulations without referring them to either the House or the Senate?

Mr. SCRIVNER. Yes. The Administrator will come in and discuss and brief a proposed regulation. If it is a good regulation it will not take 15 minutes—possibly 30 minutes at the most—to justify the regulation and obtain committee approval. This procedure is analogous to favorable reports of committees to the House. It is not complex, it is not difficult.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

Mr. Chairman, as a member of the committee involved I would be burdened with the work under the purposes of this amendment. I do not feel that we should embark upon a procedure such as this. I might be wrong, and if I am I will stand corrected, but I would like to know what act ever contained a similar provision? Nobody seems to be able to advise me. I cannot remember during my service here where any committee of the House or the Senate has been called upon to approve regulations and where there was provision put into a bill that a regulation could not go into effect until approved by a House or a Senate committee.

Mr. SCRIVNER. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. SCRIVNER. Never before in history has Congress abdicated its powers and delegated them to some administrator like we have done in recent years. A suggestion such as this was made to the World War Veterans' Committee and it was discussed with General Hines. He said he had no objection, that if he could not come before a committee and make any regulation which he drafted stand up before that committee it should not be put into effect.

Mr. COCHRAN. Nobody knows how many regulations are going to be issued under this bill.

Mr. SCRIVNER. That is right.

Mr. COCHRAN. I do not know how busy the gentleman is, but I cannot see where I am going to find time as a member of this committee to review regulations issued by an executive department with all the work I have now.

Mr. SCRIVNER. If the committee is not large enough, it can be enlarged. I will donate my services.

Mr. COCHRAN. Then get on the committee. Be appointed on the committee.

Mr. DINGELL. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. DINGELL. In other words, Congress would make the law, then Congress will be the administrator too?

Mr. COCHRAN. Yes. I would like to ask the gentleman, who is a member of the Ways and Means Committee, or the Chairman of the Committee on Ways and Means who is sitting immediately behind him, whether or not in any revenue bill it has been provided that the regulations issued as the result of the passage of a tax bill had to be approved by that committee before becoming effective?

Mr. DINGELL. None that I know of and I never heard of any.

Mr. COCHRAN. The only provision I know of in a tax bill of similar nature was the one setting up the Joint Committee on Internal Revenue Taxation where, as I recall it, you have to approve refunds of \$25,000 or over before they can be made.

Mr. DINGELL. But that is never exercised that I know of.

Mr. MOTT. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Oregon.

Mr. MOTT. I can give the gentleman a comparable example. For a number of years it has been the policy of the Naval Affairs Committee of the House to require the Navy Department to consult that committee on all purchases of real estate and at the last session of the Congress that was written into the law and is now a part of the law. The Navy Department cannot buy any property without coming to the Naval Affairs Committee and making a case.

Mr. COCHRAN. That has to do with an appropriation, not a regulation.

Mr. MOTT. That has to do with the authority of the Navy Department to purchase land.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOSSETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Congress is already saddled with a great many burdens in the many committees on which almost all of us serve. If this amendment is adopted it is going to make us the supervisors of every sale carried on by the Surplus Administrator. He will have to have some sort of regulations for the disposition of every kind or class of property, running into several thousands of items. Rules and regulations of all kinds will all have to be reported to the committees for approval. The title to most of the surplus property, certainly real property, will be clouded by minority reports and by congressional action, or failure to act. We have joint resolutions filling the hopper. This proposed amendment would place Congress in the role of usurping executive and administrative authority over thousands of details for which we have neither time nor facilities to deal. The man whom we are going to give the authority to administer the disposition of surplus property is going to have a big job. We ought to help him and not hamper him in his administration. Just a few amendments, such as the one here proposed, will make an almost impossible situation; it will be setting up the Congress as the disposal agency. None of us will be able to move. We will have our offices filled at all times with folks wanting to buy properties, or folks complaining of the terms and conditions under which sales are proposed. We would not have time to attend to any other business. The harassment and responsibility would become overwhelming.

Mr. MORRISON of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman cites, as an example for us to follow, the course of the British Parliament. Their Government is not divided into three separate, independent, and coordinated branches, and all power divided between them. They have no constitution, as you know, except an unwritten one. The highest court in Great Britain is the House of Lords, as we all know. Here we are supposed to have our powers of government separated into the executive, legislative, and judicial. One of the things causing so much trouble and confusion is that the executive branch of the Government is always trying to dominate and control the actions of the legislative, and the legislative branch is trying everlastingly to control the executive branch of the Government. I think our form of Government demands that this body shall give its confidence to the executive branch of the Government, and let it attend to executive business, the only branch of it that can do it thoroughly and sensibly. If we enact proper laws, disposing of this property in a broad and general way, remembering that the executive branch of the Government is just as responsible to the people for its conduct as we are, and that the Constitution, not us,



but the Constitution, and our very form of government entrusts them with the power to discharge executive responsibilities, and respect them, and let them understand that responsibility is theirs, and not ours, I think we will dispose of this \$75,000,000,000 worth of property in the most sensible and only way that we can dispose of it.

We are trying to enact into the statute a whole lot of politics and littleness and all that sort of thing. Let us respect our form of government and remember that it is unlike Great Britain's. Remember that Franklin D. Roosevelt, our present Executive, is an honest man, and if he is not, it is none of our business except as citizens. The people elected him, and if they do not elect him the next time and elect Mr. Dewey, the great specialist on rascality—on catching thieves—I think we could afford to trust him, even with his lack of experience. He can be trusted in that matter. I think if we pass this bill as this committee has drawn it, we will put more restriction upon the Executive power and branch of our Government than it is wise to put in. If I were to vote for any amendment, I would rather wipe out some of the restrictions that have been put in. The Administrator—who is he? Why, we are not going to appoint him. The President will appoint him. If he is not honest and does not do his duty well, he will remove him, whether it happens under Roosevelt or Dewey. We have no responsibility about that except to enact wise laws, giving him power to transact this business, and let him attend to it, and we will have less politics in it than we are trying to inject into it here.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that my distinguished friend who just addressed the Committee has voiced what to me is the alpha and omega of New Deal thinking; in other words, the Congress of the United States has no responsibility at all except the responsibility to legislate and then forget all about everything else and leave it up to the great President and his executive department.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. The gentleman left out part of what I said, "or his successor," whom I would as implicitly trust as the President.

Mr. KEEFE. Very well; I accept that. That does not change my opinion of the force of the gentleman's argument.

The point is, as I think the distinguished gentleman must realize even in his own State, that if there is one thing that the Congress of the United States has been condemned for on all sides it has been our failure to perform our own constitutional functions and our willingness to delegate functions of the Congress over to administrative agencies of government. That is the greatest condemnation that has been heard from one end of the country to the other. The people of this country are looking to this Congress, with its new blood and

new life, to drag back from some of these executive and administrative agencies some of these delegations of power that belong properly under the Constitution to the Congress of the United States. Read the Constitution, which I know you, as a great constitutional lawyer, are familiar with. The responsibility for getting rid of surplus property is vested in the Congress of the United States and in no one else. You are asking Congress to delegate that complete authority to an administrative agency of government, and you say that after you have delegated it your hands are washed clean and the Congress has nothing further to do about it. You let that administrative agency make rules and regulations that have the force and effect of law, and you say, "We have no longer any interest in the proposition, because we have delegated that power to this great executive department of government."

All that the amendment offered by the gentleman from Kansas [Mr. SCRIVNER] means, is this: Certain regulations will be prescribed by this Administrator—not the things that my friend from Texas was worrying about—and all we ask him to do before those regulations become effective is to bring them before the committee of the Congress and let the committee of the Congress see whether or not he is writing regulations that are within the scope of the skeleton and framework of the intent and purposes of this bill as the Congress has drawn it; that is all.

May I say this, that the present Administrator, Mr. Clayton, acting under the Executive authority, has already written a long set of regulations which I presume you are all familiar with. I assume those same regulations will be promulgated by him as Administrator under this particular piece of legislation. It would be very simple to submit those regulations to the Congress through this committee and let the Congress put its seal of approval upon them before they become effective.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman what would be the state of affairs if the Congress was not in session at the time of the promulgation of the regulation?

Mr. KEEFE. If the Congress is not in session, the committee of the Congress can be in session and may be called into session very, very simply, because the amendment does not contemplate action by the entire Congress, it contemplates action only by the committee or a subcommittee of that committee.

Mr. DINGELL. What are they going to do in the meantime, wait?

Mr. KEEFE. If the gentleman will read the amendment, he will find that they would not have to wait more than 15 days, because under the terms of the amendment the regulation would be effective unless it was disapproved within 15 days.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just came into the House. I am glad I did, as I want to speak against the pending amendment.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I will not yield at the present time.

I have a high regard for the sponsor of the amendment and am sure that he expresses the sentiment of the people of his district and the American people who feel strongly about the usurpation of the legislative powers by the Executive and bureaucratic agencies of the Federal Government. Of course, I do not agree with a lot that was said by the gentleman from North Carolina [Mr. MORRISON] about the President of the United States. Everybody knows my views over the years. I have fought the President for 10 years in his efforts to deprive the Congress of its constitutional right to legislate, and I shall continue to fight no matter whether it is a Republican President or a Democratic President, because it is a matter of principle. Many of us on both sides have opposed that, and I hope all Members of Congress, Republicans and Democrats, will do likewise from now on. It is not a partisan matter. If we cannot stand up here and defend our own constitutional rights against any attempts by any individuals to usurp our legislative powers, then we are not upholding our oaths of office as Members of Congress.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. Speaking impartially, making no application of it to any present situation, I agree with the gentleman, but is it not equally important that the legislative branch should not encroach upon the performance of the executive and administrative functions of this Government?

Mr. FISH. I do not know about encroaching but we should not usurp the powers of the Executive any more than the Executive, should usurp ours. However, besides the legislative power we have the right to investigate, and we do not use it enough. This is a different matter. I do not want to see the House of Representatives go to an extreme and either encroach or usurp the necessary functions of the executive branch of the Government.

I talked with the executive director of the Post-war Economic Policy and Planning Committee who has given his whole time to framing this legislation. He believes that if this amendment goes through it will tend to undermine the purposes and effectiveness of the bill and the work of the committee. This is a serious amendment. If it goes through it might nullify the efforts to bring about a speedy disposal of surplus war property. It goes too far. I am sure the gentleman who introduced it never had any idea that it goes to the root of the bill and that it would defeat the purpose of having a single administrator. I have a high regard for his ability and I understand his natural desire to put an end



to government by directives and personal edicts.

I am asking you regardless of politics to vote this amendment down as this is only a temporary agency and I believe the director in order to expedite the disposal of surplus war material must not be hampered or delayed as time is the essence. No one in Congress is more opposed to the usurpation of legislative functions, legislative prerogative, and legislative powers than I. I make it very clear that that is a matter of principle, and it applies equally to Republican Presidents as much as to Democratic Presidents.

Mr. Chairman, I hope this amendment will be voted down.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I may be chairman of the Expenditures Committee next session. Shall I refuse to accept this delegation of duty, although if I did not do anything after the 15 days they could proceed to act?

You know the Committee on Expenditures has never been an overworked committee. They have never been allowed to do anything. The membership has been carefully selected to see to it that we did not criticize expenditures and executives. For years running I took the floor and criticized quite a little on my own responsibility.

I want to say to you people who are so enthusiastic over this present set-up that there may be a change. I have hinted at it before today, but now as it affects me personally I should become interested. This change may be brought about, and I might cause a lot of trouble to the Administrator or to the Board.

I want to say to the gentleman that I think he has a very proper intention. We should like to supervise the Administrator. But I rather think I shall oppose the amendment. I do not want to be too much of an obstructionist. I think it would be imposing a good deal on the committee. We would have to be in session all the time. I think the 15 days would be rather a short time to act.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. May I observe that the amendment was not submitted in any spirit of levity whatever.

Mr. GIFFORD. No. I do not believe it was offered in a spirit of levity.

I have blown hot and I have blown cold today, as the gentleman from Indiana suggested, but the hardest thing I have had to do was "to blow and swallow at the same time."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas to the amendment offered by the gentleman from Illinois.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Church).

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I am advised by the Public Printer that the cost of printing the address to which I referred earlier today will be \$135.20. I ask unanimous consent that I may include it in my extension of remarks despite that fact.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter addressed to Hon. Donald M. Nelson, Chairman of the War Production Board, by Mr. Willard H. Dow, president of the great Dow Chemical Co.; and further to extend my remarks and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the address of the Lieutenant Governor of New York, the Honorable Joe R. Hanley, before the New York Republican State Committee, of Albany, N. Y., on Tuesday, August 8, 1944.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief excerpt from the Detroit News.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHEPPARD, for 10 days, on account of official business.

To Mr. HOCH, for today, on account of official business.

#### ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Friday, August 18, 1944, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1770. A letter from the Assistant Secretary of Agriculture, transmitting copies of requests to the Director of the Bureau of the Budget for revisions of personnel ceilings affecting specific administrations, bureaus, and offices of this Department; to the Committee on the Civil Service.

1771. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Military Affairs.

1772. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend section 1651 (a) of the Internal Revenue Code so as to exempt from payment of the retailer's excise tax imposed by said section articles prescribed as a part of the uniform of women members of the armed services and the sale of which is limited to such members; to the Committee on Ways and Means.

1773. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANE:

H. R. 5201. A bill relating to the income tax of members of the armed forces for the year in which they entered upon active service in such forces; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 5202. A bill providing for additional individual income-tax exemption for veterans; to the Committee on Ways and Means.

By Mr. DICKSTEIN:

H. Res. 621. Resolution to authorize the Committee on Immigration and Naturalization to study the basic problems affecting post-war immigration and naturalization; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW:

H. R. 5203. A bill for the relief of John K. Carey; to the Committee on Claims.

H. R. 5204. A bill for the relief of William H. Bailey; to the Committee on Claims.

By Mr. SCOTT:

H. R. 5205. A bill for the relief of William J. Debler; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5996. By Mr. BARRY: Resolution of Pontier Democratic Association, Inc., Jamaica, N. Y., concerning the shortage of farm labor throughout the country and urging Congress to enact legislation to give employ-



ment to thousands of men between the ages of 18 and 45 who were physically rejected by the armed forces and are doing nothing for the war effort; to the Committee on Military Affairs.

5997. By Mr. GAMBLE (by request): Petition circulated by Richard R. Blackburn, of Rye, N. Y., and signed by residents in New York State protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

5998. Also, petition circulated by Bernard C. Duffy, of Rye, N. Y., and signed by residents of New York State protesting against the enactment of any prohibition legislation; to the Committee on the Judiciary.

5999. By Mr. KEOGH: Petition of 348 citizens of New York protesting against any prohibition legislation; to the Committee on the Judiciary.

6000. By Mr. PFEIFER: Petition of Hyman Blumberg, State secretary, American Labor Party, New York City, urging the passage of the Kilgore-Murray bill; to the Committee on Military Affairs.

6001. Also, petition of William J. Gottlieb, president Automobile Club of New York, favoring the passage of the highway bill, H. R. 4915; to the Committee on Roads.

6002. Also, petition of sundry citizens of the Third Congressional District, New York,

protesting against prohibition legislation; to the Committee on the Judiciary.

6003. By the SPEAKER: Petition of the Arab Women League of Lebanon, petitioning consideration of its resolution with reference to its protest of legislation approving the policy of making Palestine a national home for the Jews; to the Committee on Foreign Affairs.

6004. Also, petition of Francis Jean Reuter, Washington, D. C., petitioning consideration of his resolution with reference to the case of *Air Corps v. Francis Jean Reuter*; to the Committee on the Judiciary.

# Appendix

## Disposal of Surplus Government Property

SPEECH  
OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 16, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, at the outset may I commend the committees that have worked so hard and long on this gigantic problem, as well as the many individual Members of the House who have given time and thought to the subject and have made available to the members of this committee the benefit of their experience. Its far-reaching effects should certainly be a matter of great concern, not only to the Members of Congress but to every taxpayer in the United States. If improperly administered, this act could bring about the complete destruction of many important industries in the United States. It could affect adversely two of the most important industries in my own congressional district, namely, the aircraft-engine industry and the small-tool industry.

It is a matter of considerable pride to many of the communities and citizens of the State of Connecticut that within that State has been turned out a greater dollar value of war material at a smaller cost to the Federal Government than in any other area of like size in the United States. We have practically no new factories built at taxpayers' expense in the State of Connecticut. But the mere fact that the industrialists of that State saw fit to make their old plants and equipment do, rented every possible available square foot of manufacturing space rather than building at Federal expense new factories, should be taken into consideration when the time for disposal of plants has finally been reached. Every effort should be made to see that unfair competition is not set up between the several States, and consideration should be given to those who have made their old plants do; they should not suffer from the competition to be furnished by those who might in the future acquire modern, up-to-date plants and equipment at perhaps about 10 cents on the dollar of their real value.

I realize the importance of maintaining a committee bill on the floor and the

difficulty of trying to write legislation of this kind on the floor of the House. In my short time here I have tried to follow the rule of supporting committee recommendations. But in this particular case the committee has practically asked Members of the House to make whatever suggestions they might care to make and offer what amendments they have in mind. I am going to accept that invitation tomorrow and will propose on page 33, line 10, one brief and, I think, rather simple amendment. It will follow the limitations in the first part of section 11 and will read:

To afford those serving in the Army, Navy, and Marine Corps and all war veterans an opportunity to purchase single units or small lots of any surplus property at the same price for which said property has been sold or offered for sale in large lots.

It seems to me we have within our present Army and Navy a tremendous possible retail outlet for a great deal of this surplus material. I do not mean that the post exchanges should carry surplus jeeps, trucks, and tires in stock, but I think that when the Navy Department or the War Department declares certain equipment, even jeeps, trucks, and tires surplus, and establishes a price for such surplus, that equipment should be sold by listings with the Quartermaster in the various post exchanges, so that if Private X wants to have shipped to his farm a given model of jeep he can place his order through the P. X. for that jeep. After a price has been established for jeeps or flying suits or tires or whatnot, the P. X. could list that price, and a great deal of that material could be sold to the individual servicemen at the same price it has been sold to the speculator. We need not fool ourselves. There are going to be speculators. You have had them in your office and I have had them in mine already—men coming to Washington trying to find out just how this material is going to be disposed of, and trying to get a pipe line into that surplus, anticipating making a substantial profit when the war is over. To make a reasonable profit or to stimulate business is one thing, but we do not want profiteers such as we had after the last war.

I have personally seen flying coats that cost the Air Corps \$52 in 1918, sold at Mitchel Field, Long Island, to a speculator for \$1.25, and taken into New York and sold for \$35, but an individual pilot who wanted to buy his own flying suit when he was discharged had no means of acquiring honest legal title to it. He either "managed for it" or he did not obtain it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. STEFAN. I was very much interested in what the gentleman had to

say about the jeeps. I just returned from my district, which is a purely agricultural district. Many of the farmers with whom I talked were very much interested in this bill. I told them I had to come back to vote on this bill dealing with disposal of surplus material. They are very much interested in getting a jeep on the farms, it being an all-around service car on the farm. Did the gentleman indicate in his statement something about how they could secure them?

Mr. MILLER of Connecticut. Yes. My thought is that once a price has been established on a given model of jeep or truck, the quartermaster, through the Army P. X. stores could take the order of the individual serviceman or from an individual veteran for the purchase of one of these standard jeeps.

Mr. STEFAN. But I am talking about the farmer who needs that vehicle on his farm.

Mr. MILLER of Connecticut. Somebody else may deal with that, but I am trying to give preference to the men who have served in the Army and the Navy.

Mr. STEFAN. A great many of those servicemen are the sons of farmers.

Mr. MILLER of Connecticut. Very well. They can send dad home a jeep. It is all right with me.

Mr. STEFAN. The gentleman will recall that before we recessed, the chairman of the Committee on Appropriations was explaining our appropriations up to that particular time. That was at the time we passed the last deficiency bill. The total appropriations amounted to about \$181,000,000,000 in 4 years, compared with \$112,000,000,000 from the time of George Washington down to the time of Herbert Hoover. The gentleman from Connecticut asked the gentleman from Missouri to yield, and then the gentleman from Connecticut asked something about certain buildings which were destroyed in your district by the Army. Did the gentleman get any information about that destruction, or was that report erroneous?

Mr. MILLER of Connecticut. No. The report was not erroneous. I have the reply in my office.

Mr. STEFAN. What happened?

Mr. MILLER of Connecticut. Just as I said. They went in there with bulldozers and pushed these buildings down, and burned up the old buildings.

Mr. STEFAN. Yet our farmers back in Nebraska cannot get lumber. Every farmer in my district is begging for lumber today.

Mr. MILLER of Connecticut. I should be pleased to make the correspondence available to the gentleman and will send it to his office in the morning.

In the few minutes remaining, let me say it seems to me this bill is certainly an important part of the over-all demobilization problem that we face here



in Congress. This is but one of perhaps three or four bills we shall be asked to pass upon; and I think it would not be out of order to express the hope that through the remaining days of this war we watch the operations of the Army and Navy and contribute our little bit to preventing the establishment of unnecessary surpluses. I do not know whether the statements published in the newspapers relating to the Brewster aircraft plant are true or not, but I do believe that some responsible committee of this Congress should find out whether or not it is a fact that the Army and Navy Air Corps officials have stated that they did not need the products of that particular factory, but because of the labor situation that exists in that area, because possibly of a failure to set up a demobilization program insofar as that industry is concerned, orders have been issued by responsible officials to keep that plant in operation turning out aircraft that our Army and Navy say are not needed. That is purely a newspaper story, but it has been printed several times and has not been contradicted.

Recently in my district a contract was canceled for the manufacture of certain radar parts and equipment. The value of the inventory sold was \$35,000. It was sold to a Brooklyn junk dealer for \$7,000. Two weeks later 15 percent of that \$35,000 was sold to a competitor of the manufacturer whose contract had been canceled, sold for \$11,000. Thus the junk dealer has 85 percent of his purchase on hand and a profit to date of \$4,000. I do not know whether this bill will prevent a repetition of things of that kind, whether that would properly be called surplus material by the War Department when it is in a manufacturer's hands, but it certainly is under control of the Army, and in that case under the control of the Signal Corps. I say let us have a bill that does cover material of that kind—and it will run into the millions and millions of dollars.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. GIFFORD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Mr. Chairman, I have previously referred to the labor situation in my own district, to the fact that that district along with some others is still designated as a critical labor scarcity area in spite of the fact there is hardly an industry in that area but what has laid off from 50 to 3,000 employees still we are in that same classification; and industry that should at this time be manufacturing things the Navy Department needs and that our civilian economy needs are denied the opportunity to accept contracts because of that labor scarcity designation. Notwithstanding that, in this morning's Hartford paper appears an advertisement inserted by the United States Employment Service trying to recruit in an area designated by the War Manpower Commission as a critical labor scarcity area, recruit mechanics, laborers, sheet metal workers, brush painters and registered nurses, and so forth to go to the Pacific

coast to work. I do not know whether they are accumulating a surplus of labor in the Pacific coast area or just what they are doing that they should come into an area designated as a critical labor scarcity area and at this time recruit labor that is needed and will be needed in Connecticut in the post-war era.

The Underwood Elliott Fisher Corporation typewriter factory cannot manufacture typewriters in its factory in the city of Hartford, so they went 30 miles out of the city to get outside of that area and start a new factory. There they do have the right to manufacture typewriters and are building typewriters the Navy Department has stated they need that they could not build in their own plant in the city and the skilled workers of that factory see their work being done 30 miles away by others.

As part of my remarks I wish to include an editorial which appeared in today's Hartford Courant under the heading "Unamusing paradox":

#### UNAMUSING PARADOX

The War Manpower Commission has at last achieved a degree of inconsistency that not even its critics would have thought possible. In the Courant today and for the next 5 days the reader will find an advertisement sponsored by this Commission in which Hartford workers are solicited to leave their jobs and go to work in the Pacific Northwest. That workers employed "at their highest skill in war industry" are not invited does not alter the fact that the W. M. C. seeks to take workers out of what it calls a critical area.

These manpower officials have consistently refused to remove Hartford from the critical labor-shortage category. They have discouraged advertisers and newspapers from running advertisements for help that contained statements relative to payment of overtime or time and one-half, because these were considered inducements that might lead to increased turn-over of personnel in local industries.

And now what happens? The War Manpower Commission comes into a critical labor-shortage area and holds forth the tempting bait of "time and one-half after 40 hours" and other inducements to get laborers, sheet-metal workers, structural-iron workers, registered nurses, and others to leave Hartford, thereby breaking their own rules.

Perhaps Manpower Czar Paul V. McNutt can explain this paradoxical situation wherein he tries to deplete an area that his Commission designates as critically short of labor. Perhaps, too, he can explain why his Commission sponsors an advertisement that contains enticing statements that private employers must eschew in their advertising. Certainly an explanation seems to be in order.

### Farm-to-Market Roads

#### SPEECH

OF

### HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1944

Mr. STEFAN. Mr. Speaker, as a former long-time member of the Roads Committee, and as one who will always be deeply concerned about highway im-

provement, I would like to emphasize the importance and need for bold and intelligent action on highway matters by this body.

One can now say with conviction that the war is in its last phase, the phase of final victory. As our vicious, anti-Christian enemies weaken and succumb, we are brought closer and closer to a new challenge, the challenge of peace. That challenge is not easy to meet. To restore what we may call normal times, preparedness is a necessary instrument. Let us be prepared for the peace as we should have been prepared for war.

Throughout the land, preparedness is under way. Being a highly civilized nation which attempts to provide the necessities and comforts of life for all citizens, a large share of its workers must work on jobs that come through the production of raw materials and processing and selling of manufactured goods. Therefore, it is gratifying to know that business and industry are facing the future now—that they are making plans not just to create jobs but more to create healthy business conditions which will produce the jobs along with opportunity.

Government, too, has responsibility. Government must do everything in its power to re-create the conditions that will bring renewed vigor to private enterprise, whether the business be farming or manufacturing, and to make it possible for a free people to live unfettered and in an atmosphere wherein hard work will be justly rewarded.

Looking to the future, to provide jobs and opportunity for returning servicemen and for released war-plant workers and others engaged in many ways in the war effort, we know there must be more employment on all fronts. We know that all the jobs existing before the war must be brought to life again, and that millions of additional jobs must be produced. If there is any doubt of that, turn the pages back to 1940 when, even despite war orders, the unemployed and those working on emergency Government projects totaled some 8,000,000.

No, we cannot toy with the future. If we do, another depression will surely wrap its tentacles around surviving taxpayers.

With Government, however, keeping in step with the hopes and aspirations of farmers, of businessmen, and of workers, there need be little fear about the future.

One of the things we must look forward to, and be prepared for, is a tremendous demand for transportation facilities, particularly on the highways. Prosperity cannot exist under the handicap of poor, inadequate, and costly transportation. Provision of adequate highways is a job that only Government can perform. Extending Federal assistance for highway construction is one action Government may take which will produce direct, foreseeable, and tangible benefits.

It is a wise government which, after a war, rebuilds or replaces those things destroyed. Highway building agencies have not been able to properly maintain the highways during the war. Shortages of materials, equipment, and manpower have caused an alarming neglect



"The high levels of current employment and earnings," the report stated, "would now make it possible for many workers to pay contributions and thus gain insurance rights which they may not be able to acquire in future years, in particular the older workers who may be in need of the retirement provision when the war ends and younger men return to civilian life."

"Extension of coverage would not entail serious administrative difficulties. For appropriate groups it might be appropriate to use a stamp system, under which employers purchase stamps at post offices or from rural mail carriers to place in a book which evidences the contributions made by workers and employers."

"Extension of the basic protection of old-age and survivors' insurance to public employees—Federal, State, and local—would also be feasible and would round out insurance protection of survivors, now lacking, to nearly all these employees, and provision for old-age retirement, now unavailable to many, and would assure continuity of rights. Extension should be made in such a way as not to endanger any rights of these workers under existing special systems and to increase, not lessen, the total insurance available to them."

"An immediate problem related to coverage arises from the situation of the millions of persons now in the armed forces. Because of the eligibility provisions and the methods of computing benefits under the program, the insurance protection which service men and women may have acquired before their induction will be partly or wholly used up, and the amount of potential benefits payable to them or to their survivors will be diminished." Men and women in the service are protected against death while in the service, or after from service-connected causes. After discharge, however, many veterans will be without this protection in the event of death from non-service-connected causes.

### Firemen Boo Down Speech Assailing Governor Dewey

#### EXTENSION OF REMARKS OF

**HON. JOSEPH J. O'BRIEN**  
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES  
Thursday, August 17, 1944

Mr. O'BRIEN of New York. Mr. Speaker, one of my very close friends, George Roesch, of 341 Brooks Avenue, Rochester, N. Y., who was conspicuously identified with the New York State Volunteer Firemen's Association sent me a clipping appearing in the Rochester (N. Y.) Democrat and Chronicle, August 16, 1944, entitled "Firemen Boo Down Speech Assailing Governor Dewey." Mr. Speaker, volunteer firemen's associations and volunteer firemen throughout the country are nonpartisan organizations. They render a great service to the community in which their organization exists; in fact, no community can get along without a volunteer fire company, and the services that they render cannot be computed on a cold, hard basis of dollars and cents.

The reason my friend, George Roesch, sent me this clipping was to emphasize the fact that people today are thoroughly disgusted with the old-time repulsive smear campaigns and they will resent

any unjust criticism that will in any way approximate the assassination of character, regardless of the occasion. The article is as follows:

#### FIREMEN BOO DOWN SPEECH ASSAILING GOVERNOR DEWEY

(By Joseph R. Malone)

Henry Epstein, who was State solicitor general under Governor Lehman, picked the wrong place to make a partisan political speech last night.

Billed with Lt. Gov. Joe R. Hanley, of Perry, as guest speaker at the convention dinner of the New York State Firemen's Association at the Hotel Seneca, he was booed down when he launched into a lengthy prepared address bitterly critical of Governor Dewey.

Epstein, solicitor general from 1933 to 1943, and Democratic candidate for attorney general in 1942, waded into his speech in an increasingly hostile atmosphere after it became apparent to the crowd that he chose to ignore the suggestion of Gordon A. Howe, toastmaster and Greece supervisor, that speeches be brief and nonpartisan.

#### HANLEY STEALS SHOW

In an uproar of booing and amid shouts of "We want Dewey," Epstein abandoned his set speech entirely and wound up by reciting doggerel verse picturing the Governor as an inept young man with diaper trouble, unable to make up his mind or come to a decision. The booing rose to a crescendo as he sat down.

Hanley, following Epstein, quickly stole the show by making an old-fashioned rip-roaring Americanism speech, devoid of rancor or partisanship, such as Hanley well knows how to make. The Lieutenant Governor's appeals to the audience's patriotism won hearty applause from a dinner crowd of 1,000 perspiring men and women packed into the banquet room and adjoining hall.

Epstein quoting Republican Governor Wills, of Vermont, described the Republican 1944 goal as bringing government back to the village pump, which gave Hanley opportunity to retort:

#### OFFERS PRINCIPLE

"Henry talked of a garden hose and village pump. If he had lived up where I do in the country, he'd think they were pretty good things to have around. We know how to use them but down in New York, they don't."

Hanley said there were differences of opinion and he hoped the time never would come in America when they weren't expressible. American citizens, he declared, must be alert to preserve their constitutional rights and privileges. Hanley offered as his principle:

"I'm for America first and for international cooperation afterward."

"In this campaign," he said, "we must make sure of one thing, whether we are Democrats, Republicans, Socialists, American Labor, one creed or another, one race or another: We must all make sure that when our boys come home they find a free America waiting for them."

American troops, he said, are accomplishing the impossible all over the world. At home, Americans are making sacrifices. Hanley declared, but every constitutional liberty given up for victory must be restored, he held, when the war is over.

"Give America the facts," he said "leave the avenues of information open and she'll do the right thing and she'll elect the right kind of man."

Speechmaking began at 9 and Howe warned it must be over by 9:30 so a floor show could go on. Epstein, first speaker, said he was fully aware the firemen's association was nonpartisan and nonpolitical. But he paved the way for his speech by saying:

"Representatives of both political parties are here and you won't take it amiss if I

discuss some of the issues before the people from an international viewpoint."

#### CROWD PATIENT AT FIRST

The crowd was patient while he arraigned the Hoover administration for taking no action when Japan seized Manchuria, declared the Republicans proposed cuts in naval appropriations when Hitler was rising and Mussolini's "pugnacity was rampant." But the booing began when he declared Dewey ridiculed Roosevelt's "clarion call for a program of 50,000 planes a year and a revitalized Army and Navy," and it continued to grow in power when he held Dewey has yet to express himself "on the isolationist pratings of Nye, Brooks, CLARE HOFFMAN, and the like."

"You've got to expect those things," Epstein remarked philosophically following the meeting. Epstein managed to complete 3 pages of a 7½-page manuscript.

#### PORTRAIT PRESENTED

Guests at the speakers' table other than Firemen's Association officials included Thomas E. Broderick and Roy F. Bust, Republican and Democratic county chairmen; Mayor Dicker; George F. Rogers, Democratic candidate for Congress; and Public Safety Commissioner Tom C. Woods.

Leon H. Ingersoll, of Cincinnati, retired president of the association, was presented a large framed portrait of himself, with Henry W. Sprague, of West Webster, making the presentation. Albert J. Foley, of Dunkirk, will succeed Ingersoll as president today.

### Disposal of Surplus Property

#### EXTENSION OF REMARKS OF

**HON. A. L. MILLER**  
OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES  
Thursday, August 17, 1944

Mr. MILLER of Nebraska. Mr. Speaker, the greatest merchandising job in the world is covered by this bill which handles close to \$100,000,000,000 of surplus war property. Unless the surpluses are handled intelligently, we could have a grave upset in our national economy. The selling of this property could seriously interfere with private employment and business. It is urgent that some action be taken at once which will set up the machinery and outline a blueprint with certain guide posts, which, when put into operation, would do the best job.

Industry and labor have mastered a great production job. It will have as tremendous a job when it comes to disposing of surplus property, plants, and equipment.

In the past year some 40 bills have been introduced into Congress which contain certain plans for the distribution of this war goods and equipment.

Just how well Congress handles this post-war headache will depend upon the law we pass and its administration. It will depend on how much of a reaction is produced in this country and I mean by reaction, how much unemployment and disrupting of the civilian economy will be caused by the disposal of this surplus equipment.

There are many people and groups now writing to Congressmen who are



concerned about the problem. There are some who think they may be able to purchase a jeep, a truck, typewriter, and other equipment for a few cents on the dollar. There will be some individuals who would like to buy a complete manufacturing plant for a song. I believe it is the duty of this Congress to set up the machinery which will prevent anyone stealing from Uncle Sam.

Within a few blocks of this Capitol there is a surplus supply depot. I personally visited this plant several times. I am satisfied that the equipment coming to this surplus depot is not being disposed of in a manner which is to the best interest of this country.

The disposal of surplus materials is not a job for boondogglers or amateurs. There must be careful planning, scientific marketing, economic controls with advertising and selling by every known method.

I have listened to the debate in Congress on how this job should be done. I am about convinced that the job should not be left to any one administrator who would have unlimited powers. It is too big a job for any one man. It is more responsibility than any good man should have, and certainly more than any poor administrator should be given. I believe it can best be handled by giving the administrator a board made up of experts who have the knowledge and background of advertising, engineering, and of selling. It is quite possible that all the surplus land should be funneled through the Department of Interior. The United States now owns much land under the direction of this department.

There would, of course, be rigid controls set up by an administrator and a properly organized board or commission. It will certainly take men with knowledge and courage to contribute everything they have in this great program of beating swords back into plow shares if we are to keep the wheels of industry from stripping gears. The commission should be appointed by the President and approved by the Senate. The commission should report to Congress at frequent intervals.

The legislation we are considering today is important because of the magnitude of the anticipated surplus and the effect it will have on post-war recovery. This legislation is important to the American worker and the returning soldier. It is important if we expect to give men jobs. It is important if we are to have a prosperous and growing post-war America. America has grown great because it was built upon a system of free enterprise. If we are to continue to grow, labor and business must move forward with full production and full employment. Labor and business should be watchful to preserve the principles of free enterprise.

Yes; this is a big merchandising job. It should be handled by businessmen familiar with the property to be handled. It should be handled through the regular channels of business. It should be handled by men who have learned

the cold, hard way. It is too big a job for one man. Let us have a commission. Let us avoid the mistakes made in the last World War.

### Surplus War Property

#### EXTENSION OF REMARKS

OF

### HON. LA VERN R. DILWEG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1944

Mr. DILWEG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial on surplus war property, which was published in the Washington Post.

I am in full accord with the opinion expressed by this great newspaper. It is my firm belief that no single individual should be given the tremendous discretionary powers granted in the House bill. I believe that due consideration should be given the amendment offered by the gentleman from California [Mr. Poulson], which amendment is printed in the RECORD on page 7079.

A select board of seven, instead of a one-man control should be better qualified to formulate surplus disposal policies within the framework of the broad statement of objectives contained in the House bill.

The editorial follows:

#### SURPLUS WAR PROPERTY

The bill on surplus-property disposal now being considered by the House vests tremendous discretionary power in the hands of the proposed Surplus Property Administrator. It may be taken for granted that hard and fast rules cannot be laid down for the disposal of surplus property running into billions of dollars, and consisting of a vast variety of articles from shoes, clothes, and drugs to farm lands and huge manufacturing plants. It is doubtful, however, whether Congress ought to empower a single administrative official to formulate surplus disposal policies within the framework of the broad statement of objectives contained in the House bill, referred to by one critic as "pious words." However honest and efficient the official entrusted with this tremendous task may be, Congress should not shift to his shoulders responsibilities for making important policy decisions that might vitally affect the post-war economy. Admittedly it is difficult to lay down specific directions for the guidance of a surplus-property administrator without impairing his efficiency. Nevertheless, the difficulty of the task does not excuse a failure to tackle it.

The method of dealing with the disposal of war plants provides an outstanding instance of the inadequacies of the safeguards thrown about the exercise of power by the proposed administrator. It is estimated that the Government has invested more than \$15,000,000,000 dollars in manufacturing plants and other productive facilities. Congress quite rightly does not wish to assume direct responsibility for the disposal of these plants. For if Congress were to retain a veto power over sale of war plants every Member of Congress would be in hot water with his constituents, and the whole disposal question would inevitably become a football of politics.

While steering clear of political complications, Congress could and should maintain supervision over the disposal of Government-owned plants to a much greater extent than contemplated. To be sure, restrictions are placed upon the sale of synthetic rubber and aluminum plants, which have cost the Government \$5,000,000 or more each. The bill also seeks to avoid violations of the antitrust laws in disposing of plants. However, the problem of disposal is much broader than indicated; it is not limited to the two industries singled out, nor to the avoidance of monopolistic trends. In disposing of agricultural lands the Administrator is also given a virtually free hand, with the proviso that, to the extent feasible, former owners of surplus real property acquired by the Government shall be given an opportunity to reacquire it.

No doubt it is desirable to put on the statute books legislation dealing with surplus property as soon as possible. But the hurry is not so great as to preclude taking time to tighten up some of the loose provisions of the House measure. For after all we already have a Surplus Property Administrator whose office was created by Executive order. He is prepared to carry on until the statutory agency is set up, and in all probability he will continue in office thereafter.

### Irish Needlepoint

#### EXTENSION OF REMARKS

OF

### HON. HOMER A. RAMEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1944

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article from today's edition of the Washington Times-Herald by Mr. Frank C. Waldrop:

#### IRISH NEEDLEPOINT

(By Frank C. Waldrop)

A troublemaking old party by the name of John T. Flynn, whose highly unofficial biography of our peerless leader you may have read under the title of "County Squire in the White House," dropped in yesterday with a wild story to the effect that he opposes a fourth term for our peerless leader because he was convinced against it by the words of several of the Democratic Party's most revered figures, including Woodrow Wilson.

"Look," he said, "I've got it all written down here." Flynn, who is a member of the New York City Board of Higher Education, is always writing things down.

A careful analysis of the evidence he produced does seem to give him a shadow of excuse for saying that the Democrats may have persuaded him to this contrary attitude by what they have had to say in times past against even a third term.

Early in February 1928, said this Flynn, the shadow of Calvin Coolidge still hovered over the coming Republican convention, even though Coolidge had said in August 1927: "I do not choose to run."

Later, in December 1927, he amplified this by saying he meant it and that he expected his party to seek other candidates. But some busy New York politicians were maneuvering to force him to run for a third term. At this point Senator ROBERT LA FOLLETTE (Progressive of Wisconsin) introduced a resolution, which read as finally passed:







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 19, 1944, for actions of Friday, August 18, 1944)

(For staff of the Department only)

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HOUSE

**PROPERTY MANAGEMENT.** Continued debate on H.R. 5125, the property-disposition bill (pp. 7182-212). Agreed to the following amendments: By Rep. Hallack, Ind., 96-67, to provide that owning agencies shall dispose of property in accordance with the policies set forth in Sec. 11 for the Administrator (pp. 7183-6); by Rep. Voorhis, Calif., to provide that the Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with usual and customary commercial practice and as long as opportunity exists for the disposal of property to prospective purchasers of smaller lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts (pp. 7186-91); by Rep. Gossett, Tex., "to prevent the destruction of any property that might have value" by requiring that no property shall be destroyed until 30 days after public notice has been given of the proposed destruction (p. 7209); by Rep. Pace, Ga., to insert in Sec. 10, Methods of Distribution, a proviso that surplus farm commodities shall not be sold in the U.S. under this act in quantities in excess of or at prices less than those applicable with respect to sales of such commodity by the Commodity Credit Corporation unless such commodity is being disposed of pursuant to this act, for export at competitive world market prices (pp. 7209-10); and by Rep. Vorys, Ohio, to strike out the words "or other disposition" and "or otherwise" in Sec. 10, thus restricting disposition to "sale, exchange, lease, or transfer" (pp. 7210-1).

Rejected amendments by Rep. Poage, Tex., to provide for the transfer of property usable for soil conservation equipment to this Department when the Secretary certifies that he has need for it to carry out conservation works (pp. 7191-7200); by Rep. Smith, Ohio, to strike out the provision that "Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases" (pp. 7200-1); and by Rep. Tarver, Ga., to provide for transfer of property appropriate for educational purposes to institutions upon determination of need in excess of ability to purchase, after rejecting Rep. Walters (Pa.) substitute amendment making the above "mandatory" rather than discretionary (pp. 7202-9).

**MEAT INDUSTRY; PEPPER.** Rep. Andresen, Minn., criticized the storage of pepper by commercial importers "who refuse to sell at the price ceiling fixed by O.P.A." and stated that "millions of pounds of meat will be spoiled in the next 6 months" (pp. 7212-3).

**RURAL REHABILITATION.** Received from WFA 3 statements with respect to the progress of the liquidation of Federal rural rehabilitation projects. To Agriculture Committee. (p. 7213.)



4. ADJOURNED until Mon., Aug. 21 (p. 7213).

SENATE

5. FARM LABOR; SELECTIVE SERVICE. Sen. Wiley, Ind., criticized continued induction of cheese factory workers, stating that "when cheese factories are put out of business... Their income of... farmers is affected," and inserted his correspondence on this subject. (pp. 7171-2).
6. RICE PRICES. Sen. Overton, La., criticized the fixing of a "price ceiling on a product without any information as to the cost of the production thereof" and stated that he hoped "that... someone... can supply me with the information" as to how it is done (pp. 7155-6).
7. PROPERTY MANAGEMENT. Military Affairs Committee received unanimous consent to report the surplus property bill during recess (pp. 7153-4).
8. PERSONNEL; SELECTIVE SERVICE. Received Selective Service's report of registrants deferred as of June 15, 1944 because of Federal employment. To Military Affairs Committee. (p. 7149.)
9. FLOOD CONTROL. Sen. Overton, La., received unanimous consent to have the report on the St. Johns River, Fla., printed as a Senate document (S. Doc. 230) (p. 7151).  
Sen. McClellan, Ark., urged support of the resolutions adopted by the National Rivers and Harbors Congress and inserted these resolutions in the Record (pp. A7156-60).
10. CATTLE PRODUCTION; FEED. Sen. Wherry, Nebr., criticized the cattle-feed situation in the Corn Belt States and inserted BAE's report on this subject (pp. A7151-52).
11. Adjourned until Tues., Aug. 22 (p. 7176).

BILLS INTRODUCED

12. MINERALS. By Sen. Stewart, Okla., and Sen. Davis, Pa., S. 2084, for the purpose of conserving the coal resources of the Nation. To Interstate Commerce Committee. (p. 7150.)
13. TRANSPORTATION. By Sen. Hill, Ala., S. 2085, to supplement the national transportation policy and to aid in achieving such policy. To Interstate Commerce Committee. (p. 7150.)  
By Rep. Philbin, Mass., H. R. 5207, to require that one member of the Interstate Commerce Commission be from the New England States. To Interstate and Foreign Commerce Committee. (S. 7213) of Remarks of author (pp. A3933-4).
14. LOANS, FARM. By Sen. Langer, N. Dak., S. 2086, to amend the Federal Farm Loan Act, as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States, the laws of which prevent the rendering of deficiency judgments. To Banking and Currency Committee. (p. 7151.)
15. FLOOD CONTROL; RECLAMATION. By Sen. Murray, Mont., S. 2089, to establish a Missouri Valley authority to provide for unified water control and resource development on the Missouri River and surrounding region in the interest of the control and prevention of floods, the promotion of navigation and reclamation of the public lands. To Agriculture and Forestry Committee. (p. 7161.) Remarks of author (pp. 7160-68.)



# House of Representatives

FRIDAY, AUGUST 18, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the light of all who seek Thee and the joy of all who love Thee, we pray that on each new day we may yield ourselves in glad and willing obedience to the spirit of the Master.

Grant that we may labor more zealously for the coming of that blessed time when this spirit of good will and brotherhood, which alone can integrate and unify the souls of men, shall pervade and permeate the whole world.

We pray that we may be great believers in this spirit. Thou knowest how we are tempted to feel that it is merely an illusion and that it lies beyond the sphere of practical realization. Help us in our daily lives to authenticate and bear witness to its reality. May our personal character and conduct always be in cordial and consistent agreement with our beliefs and our creed.

May there be nothing in our character and in this day's work of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Hear us for the sake of the Christ, our Saviour. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## RESIDENT COMMISSIONER, PHILIPPINE ISLANDS

The SPEAKER laid before the House the following communication from the President of the United States, transmitting a letter from the President of the Philippine Islands, which was read by the Clerk, as follows:

### THE WHITE HOUSE,

Washington, August 17, 1944.

The SPEAKER,

House of Representatives.

MY DEAR MR. SPEAKER: I transmit herewith a communication from the President of the Philippines dated August 11, 1944, advising of the appointment by him, on August 10, of Col. Carlos P. Romulo as Resident Commissioner of the Philippines to the United States.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

AUGUST 11, 1944.

HON. FRANKLIN D. ROOSEVELT,

President of the United States,

Washington, D. C.

MY DEAR MR. PRESIDENT: I have the honor to inform you that pursuant to the provisions of the act of Congress approved March 24, 1934, and of the Constitution of the Philippines, I have on August 1, 1944, appointed Col. Carlos P. Romulo, Resident Commis-

sioner of the Philippines to the United States.

With expressions of my respect and esteem, I beg to remain

Very respectfully,

SERGIO OSMENA,

President of the Philippines.

## EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an address therein. I have secured an estimate from the Public Printer and have been informed that the cost of printing will be \$145.60. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances: In one to insert in the Appendix of the RECORD a statement of policy of Americans United for World Organization and a copy of their statement to Secretary Hull; and in the second instance to include a copy of an open letter to President Roosevelt from the editor of the Jewish Forum.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a short poem.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a certain telegram which I received today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

## INTERSTATE COMMERCE COMMISSION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. PHILBIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

## PERMISSION TO ADDRESS THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program of today I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

## EXTENSION OF REMARKS

Mr. LeCOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Daily Oklahoman.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BEALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a poem by Mr. P. J. Grimes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SUNDSTROM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address entitled "Why I Am an American," by one of my constituents, Mr. George J. Chryssikos.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial which appeared in the Buffalo Evening News.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]



Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, one to include an interview had by Senator Austin, and two, to include an editorial from the Brattleboro Reformer.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short editorial from the Freeport Times.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a reprint of some of my remarks heretofore made in the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FISHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Brownwood (Tex.) Bulletin.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may extend his remarks in the Appendix of the RECORD and include therein an editorial from the Boston Globe entitled "In 1964."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably without amendment (Rept. No. 1775) a privileged resolution (H. Con. Res. 94), authorizing the printing of additional copies of Public Law No. 346, entitled "Servicemen's Readjustment Act of 1944"; and ask for its immediate consideration.

The Clerk read as follows:

*Resolved by the House of Representatives (the Senate concurring), That there be printed 55,000 additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944", of which 45,000 copies shall be for the use of the House document room and 10,000 copies shall be for the use of the Senate document room.*

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### AIR POLICY COMMISSION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, in company with Senator MURRAY, I am presenting this afternoon to the Congress of the United States, for its proper consideration, legislation which would have as its purpose the establishment of an air-policy commission for the United States.

We feel that in the development of aviation, both from a national defense and from a civil standpoint, that the President or the executive branch of this Nation should proceed without the advice and the assistance of the Congress of the United States.

If such a commission is created there would be two Members appointed from the Senate, one from the majority and one from the minority party, and the same ratio would hold true in the House. Public members representing industry, science, and labor would be selected. The chairman would be appointed by the President of the United States. Reports and recommendations would be prepared for Congress as well as for the Chief Executive. I urge the Members to study the proposal so they will have an opportunity to carefully consider the development of all phases of air power and civil aviation for the benefit of our Nation and for international cooperation and security.

#### EXTENSION OF REMARKS

By unanimous consent, Mr. WEISS, Mr. FOGARTY, and Mr. SHORT were granted permission to extend their own remarks in the RECORD.

#### THE SMEAR BUND'S ATTEMPT TO DESTROY GEN. GEORGE S. PATTON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include therein the record of Maj. Gen. George S. Patton, as it appears in Who's Who in America.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we note with pride that Maj. Gen. George S. Patton, whom the "smear bund" of Washington tried to destroy a few months ago, is now leading our victorious armies on to Paris.

If the time has come when these smearmongers, including Drew Pearson, Walter Winchell, PM, the political committee of the C. I. O., and that ilk, can, in the midst of a great war, destroy or embarrass a great soldier like General Patton, who is worshipped by the soldiers under him; if the time has come when this "smear bund" can intimidate or destroy Members of Congress, including Members of the United States Senate; if the time has come when this "smear bund" can, through such a volume as Nine Old Men, embarrass and discredit distinguished members of the Supreme Court of the United States as it existed

10 years ago—then I say it is time the American people woke up and cleaned them out.

This smear campaign against General Patton was not only indefensible, but it probably cost the lives of many brave American soldiers.

In order that everyone who reads this RECORD may know something of the life history of this great American, I am inserting his brief biography as it appears in Who's Who in America.

It reads as follows:

[From Who's Who in America of 1942-43]

Gen. George S. Patton, Jr., Army officer; born San Gabriel, Calif., November 11, 1885; son of George Smith and Ruth (Wilson) P.; student, Classical School for Boys, Pasadena, Calif., 1897-1903; Virginia Military Institute, 1903-4; B. S., United States Military Academy, 1909; graduate, Cavalry School, 1913; graduate, advanced equitation class, Cavalry School, 1914; honor graduate, Command and General Staff School, 1923; graduate, War College, 1932; married Beatrice Ayer, May 26, 1910; children—Beatrice (wife of Capt. John K. Waters, U. S. Army), Ruth-Ellen (wife of Capt. James W. Totten, U. S. Army), George IV. Began as second lieutenant, Fifteenth Cavalry, United States Army, 1909, and advanced through the grades to major general, 1941; instructor in weapons, Cavalry School, 1914-16; aide-de-camp to General Pershing, Mexico, 1916-17; sailed to England as same, May 1917; first man detailed in Tank Corps, United States Army, November 1917; organized and commanded tank school and First (later Three Hundred and Fourth) Brigade, 1917-19; wounded, September 1918; commanded Three Hundred and Fourth Tank Brigade, Camp Meade, Md., 1919-21; commanded First Squadron, Third Cavalry, Fort Myer, Va., 1921-22; on General Staff, 1923-27; in Office of Chief of Cavalry, 1928-31; executive officer, Third Cavalry, 1932-35; on General Staff, 1935-37; commanded Ninth Cavalry, 1938, Fifth Cavalry, 1938, Third Cavalry, 1938-40, Second Armored Brigade, July-November 1940; commanding Second Armored Division, Fort Benning, Ga., since November 1940. Decorated with Distinguished Service Cross, Distinguished Service Medal, Silver Star, Purple Heart, Congressional Medal of Honor for Life Saving (2d class), Mexican Service Medal, World War Medal with four battle clasps. Clubs: Army and Navy, Capital Yacht (Washington, D. C.); Eastern Yacht (Marblehead, Mass.); Manchester (Mass.) Yacht; Cruising of America (N. Y.). Address: War Department, Washington, D. C.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that on page 27, line 5, there be inserted after the word "board" the words "and sales and distribution advisory committees."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.



Mr. MANASCO. And I ask unanimous consent that in line 6, after "Sec. 4." there be inserted "(a)."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MANASCO. And I ask unanimous consent that the Patman amendment inserted after line 21, be amended by striking out the heading thereof and by striking out in the first line of the text "Sec. 5 (a)" and inserting in lieu thereof "(b)."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CHURCH. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows: Amendment offered by Mr. CHURCH:

On page 28, line 9, after the word "within" strike out the word "thirty" and insert the word "ten."

Mr. CHURCH. Mr. Chairman, I understand that the amendment is agreeable to the chairman of the committee.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

#### DECLARATION OF SURPLUS PROPERTY

SEC. 6. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities. If, in the course of the performance of his duties under this act, the Administrator has reason to believe that any owning agency has property which is surplus to its needs and responsibilities which it has not reported as such, the Administrator shall promptly report that fact to the Senate and the House of Representatives.

(b) Each owning agency shall promptly report to the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 7.

#### DISPOSITION BY OWNING AGENCY

SEC. 7. (a) Subject only to the regulations of the Administrator with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production.

(b) Subject to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

(4) any contractor inventory in its control; and

(5) any class or type of surplus property in its control designated by the Administrator.

(c) Whenever he deems such action necessary to effectuate the objectives and policies of this act, the Administrator, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### DISPOSAL AGENCIES

SEC. 8. (a) The Administrator, by regulations, shall designate one or more Government agencies to act as disposal agencies under this act and shall prescribe the class or classes of surplus property to be disposed of

by each such agency: *Provided, however*, That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(b) When any surplus property is reported to it under subsection (b) of section 6, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition. Where the disposal agency is not prepared, at the time of its designation under this act, to undertake the care and handling of such surplus property, the Administrator may postpone the responsibility of the agency to assume its duty for care and handling for such period as he deems necessary to permit its preparation therefor.

(c) The Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to return to section 7, for the purpose of offering an amendment to section 7.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Section 7, line 8, page 29, following the word "Section", insert the following "and in accordance with the policies governing the disposition of surpluses contained in section 11 of this act."

Mr. HALLECK. Mr. Chairman, in support of this amendment I would like to point out that section 7 provides generally for the disposition of surplus goods by a so-called owning agency. As I understand the situation as it has been carried forward to this time, much of the surplus goods has been disposed of by the owning agencies. That is, agencies such as the Army or the Navy or the Procurement Division of the Treasury Department.

As I have read section 7, it is obvious that authority may be granted under subsection (b), of section 7, to owning agencies to dispose of various classes of property.

The first one or two divisions have principally to do with worn-out property, waste, and salvage, and so forth. The part that particularly disturbs me has to do with that property provided for in subsections 4 and 5—5 particularly—where these words are included:

Any class or type of surplus property under its control designated by the Administrator.

I further understand that as of this date there has been considerable criticism and complaint of certain of the methods followed by the owning agencies in disposing of surplus property.

In section 11, to which my amendment refers, the Congress of the United States, if this bill is adopted, lays down certain specific policies governing disposition that shall control in the sale of this sur-

plus property. They are those having to do with the use of commercial channels and things of that sort. To my mind it is one of the most important provisions of the bill.

It is the expression of the congressional intent as to policies that shall be followed to see to it that the best and most efficient distribution of this surplus property is made. If you look at subsection (b) of section 7, you will see that it is provided that the owning agency may dispose of property in its control under this section subject to the provisions of subsection (c). If you read subsection (c) as I read it—and I think I can understand it—there is no requirement that the provisions of section 11 expressing legislative intent shall be followed by the owning agency. There is language which refers to the right of the Administrator by regulation to restrict the authority of the owning agency to dispose of the property. As I construe the words "restricting the authority," and so forth, all the Administrator could do under that language would be to say to the owning agency: "You may not dispose of the property." Beyond that the discretion is left in the Administrator as to what he shall say in respect to this legislation.

The point I am making and the thing I am seeking to do by this amendment is to say to the owning agencies when they, under this act, begin to dispose of surplus property: "You, too, shall be bound and governed by the legislative intent expressed by the Congress in section 11." That is all this amendment does. In other words, if the Administrator says to the Army, or the Navy, or Procurement, or any other agency having surplus property that they may dispose of that property, the owning agency then following the statute that will be enacted by the Congress says: "Yes, we will do that, but we understand we are to be bound by the provisions of section 11 which have to do with the preferences and policies to be followed in the disposition of the property."

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. COLMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, if you understood fully what the gentleman from Indiana was driving at, as I think I understand it, he would have the classes of property enumerated in these five paragraphs on page 29 subject to the provisions of section 11. When the bill was prepared it was prepared with the very object in mind of placing the articles in these subparagraphs out of the provisions of section 11. Why was that done? Because section 11 provides that surplus property shall be handled according to certain policies which could not feasibly and practicably apply to the articles enumerated in section 7. Let us see where we are; take paragraph 3 for instance:

Any product of the industrial research, agricultural, or livestock operations of any public works construction or maintenance project carried on by such agency.



Included in that paragraph, if you please, are the products of T. V. A. I am sure my friend does not want to say that the products of T. V. A. shall be disposed of in such manner as that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HALLECK. First of all, I do not consider that the surplus power of T. V. A. is included, but I should like to call the gentleman's attention to the fact that in the opening part of section 11 the committee included these words:

In formulating regulations to govern the care and handling and disposition of surplus property under this act the Administrator \* \* \* shall give effect to the following policies to the extent feasible and in the public interest.

Personally, I believe that is a pretty big wide door through which one may drive to avoid the policy stated in section 11; but as long as those words stay in there, and I do not for myself propose to strike them out, then it is clear to me that if there is any property provided for in subsection (b) of section 7 to which those policies as applied would not be feasible or in the public interest, the Administrator would not be required to follow them.

Mr. COLMER. I merely mentioned that as one example to show that the gentleman does not really comprehend—and I say that with all due deference to my very warm friend—I am afraid he has not had an opportunity to follow this thing out to see just how far-reaching his amendment is.

Did my friend know that his amendment would include rum brought in from the Virgin Islands?

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MANASCO. It would also include garbage, would it not?

Mr. COLMER. Yes.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. The gentleman has had his time; I hope he will let me have mine.

What is the reason this provision is in here—No. 4:

Any contractor inventory in its control.

Why was that put in there?

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just a minute. When we passed the Contract Termination Act we provided that all of this Government property in the Willow Run plant, the Chrysler plant, or any other plant should be removed within 30 days.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. Just one second; let me develop that thought if I may—we pro-

vided under the law that that property had to be removed within 30 days. Millions on top of millions worth of Government property, some of that property owned jointly by the contractor and the Government, is involved. If you adopt the amendment offered by the gentleman from Indiana you might just as well get ready to build enormous warehouses or to rent every available foot of space in warehouses now existing to store the material, because they cannot dispose of it in 30 days or any reasonable time if they have to follow all of the policies set out in section 11.

Mr. Chairman, I now yield to my friend from Kentucky.

Mr. MAY. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Kentucky.

Mr. MAY. Will the gentleman explain to me section 7, page 29, which reads:

Subject only to the regulations of the Administrator with respect—

And so forth. Taking that in connection with the phraseology in section 10 on page 31, reading:

Wherever any Government agency is authorized to dispose of property under this act—

Now, these are the significant words— notwithstanding the provisions of any other law but subject to the provisions of this act.

Does that not repeal every provision of law that we have in regard to the disposition of property, including real estate, and make it subject only to the regulations prescribed by this Administrator?

Mr. COLMER. If I understand the gentleman's inquiry correctly, I think it does. But let me hasten on.

Mr. HALLECK. Will the gentleman yield to me?

Mr. COLMER. I yield to the gentleman.

Mr. HALLECK. Why, the gentleman from Kentucky points to the words in section 10, "subject to the provisions of this act," but, as the act is written the owning agency could dispose of the property provided for in these subparagraphs of section 7 without regard to the policy expressed in section 11.

Mr. COLMER. I do not think there is any question but what he can dispose of it under the bill as written without the provisions of section 10, the policies the gentleman has reference to, but the point I am making is that you cannot administer this law expeditiously or in the interest of the common weal if you adopt the amendment offered by the gentleman from Indiana, and I do not think the gentleman from Indiana really wants it to be adopted if he understands the full implication of his amendment.

Mr. PLOESER. Will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Missouri.

Mr. PLOESER. I am amazed at the gentleman's statement because, as I understand that argument I am wondering if it is really the gentleman from Indiana who does not comprehend. If what the gentleman says is what he wants and is

true, we might as well eliminate section 11.

Mr. COLMER. I do not think the bill could be administered in the interest of the country with the amendment that the gentleman offers. It would tie the hands of the administrator, it would defeat the purposes and objectives of the bill, and I hope that the gentleman from Indiana will confer with those who have prepared this bill and with the legislative representatives of the House and see if what I have said is not true.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. MAY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I have not had an opportunity, of course, to give close and careful study to this legislation, but I want to go on record here today as saying there is too much apprehension in the Congress and in the country on the question of the disposition of surplus war property and I desire to direct my remarks particularly to the fact that the Government of the United States today owns nearly 21,000,000 acres of land in this country. I understand that about two-thirds of that has been acquired during the emergency in the enlargement of airfields, posts, military reservations, and so forth.

The Military Affairs Committee of the House for years and years, even for a century, has never permitted the War Department to dispose of real estate without first coming to the Congress and getting permission to do so. That Department has not been permitted to dispose of even a fraction of an acre without telling the Military Affairs Committee and through that committee the House of Representatives the reason for disposition of it.

Here we propose to set up in a piece of legislation unlimited and arbitrary authority in a director to dispose of all of that property without regard to the Congress and mark my words when I make that statement. It is a vital mistake unless there is some limitation put upon the power of this director to dispose of land that is not perishable, that is not subject to waste, as, for instance, this great pipe line that the Government built, known as the Big Inch from the West to the East. They can sell that as real estate without coming to the Congress with reference to it. However, unless there is some modification of this bill I shall vote against it however much I regret to do so.

I think the committee has done what it has been shown was needed to be done by those downtown who administer it. I think it is time the Congress open its eyes and take note of what is going on.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The gentleman from Mississippi objects to having the 10 policies, which are merely setting forth 10 platitudes outlined in section 11 apply to, for instance, land which the



War Department as an owning agency would sell.

Mr. MAY. Yes.

Mr. VORYS of Ohio. Does the gentleman see any reason why those same policies should not apply to material or property that the War Department should sell, if they are going to apply to other property?

Mr. MAY. Well, there are some instances where the War Department may be handling perishable property or where there is an accumulation of a vast amount in warehouses and in stocks wherein the situation would be different. The thing I am objecting to here is the phraseology in this legislation, which states in section 7 to begin with: "subject only to the regulation of the Administrator." Section 10 then provides immediately a repeal of every other statute that the Congress has ever enacted on the subject in connection with the safeguarding of the property of the Government.

Mr. COLMER. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Mississippi.

Mr. COLMER. Of course, the gentleman appreciates that before the Administrator can sell an acre of land it would first have to be declared surplus by the agency.

Mr. MAY. Why, certainly, it would have to be declared surplus, but who is going to say when it will be declared surplus or when it will not? The men in the War and Navy Departments will determine that.

Mr. COLMER. The War Department and the Navy Department declare when it is surplus.

Mr. MAY. Yes; and when they declare it to be surplus, it should be subject to the jurisdiction of the Congress.

Mr. COLMER. The gentleman does not mean that the Congress would undertake to sell it?

Mr. MAY. Yes. We have done that for years, and we should continue to do it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PLOESER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have listened with interest to the debate carried on between my distinguished colleague from Indiana and my distinguished friend from Mississippi, in which the principal difference seems to be that the gentleman from Mississippi thought there was a lack of comprehension on the part of the gentleman from Indiana. May I observe, though, that the lack of comprehension probably flows along the line of the argument of the gentleman from Mississippi. The same rule or policy which should apply to the Surplus Property Administrator should likewise apply to any other agency of the Government which has surplus property, whether or not it is the owning agency. If the gentleman's argument holds true, then he should be for the elimination of section 11 in its entirety. I am in favor of the very worth-while amendment pending now before the Committee introduced by the gentleman from Indiana [Mr. HALLECK]. Adoption

of this amendment would make the same policy apply to the surplus of the Army and the Navy or any other branch or department.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Indiana.

Mr. HALLECK. I would just like to say a few things further about this. The gentleman from Mississippi, for whom I hold the highest regard, suggested that I confer with the members of the committee and the drafting service. The gentleman knows that I conferred with them yesterday, and I handed them a copy of this amendment. We discussed this matter. I still insist that my position is sound. There has been no answer to the suggestion I made here that insofar as section 11 is concerned, it provides that the policies shall be followed only when feasible and in the public interest.

I would like to point out also that while they talk about T. V. A. power and waste and garbage and a few other things, they have not yet given any satisfactory explanation of why they would include under subparagraph (5) any class or type of surplus property designated by the administrator, which could be as broad as all of the property owned by all of the agencies. Hence, the overwhelming part of the goods could be sold by the owning agencies without regard to the congressional mandate written into section 11. I would like to have somebody answer that.

Mr. PLOESER. Mr. Chairman, I hope the House will overwhelmingly support, as a matter of definition of policy, the gentleman from Indiana's amendment. I, for one, do not think the amendment is strong enough. I will support it, but I would welcome a much stronger amendment.

Mr. HALLECK. If the gentleman will yield further, particular reference was made to contractor inventory. Suppose there are 10,000 trucks that come under that heading. Shall those trucks be sold in compliance with the provisions of section 11, so far as feasible and in the public interest, or shall they be sold wholly and completely outside of the congressional policy as expressed in section 11? That is the question that we are right up against, and I do not think it does any good to talk about garbage or rum from the Virgin Islands. I do not know whether there is a surplus of rum or not. There may be. I do not know, but that argument certainly is nothing but a red herring across the trail. I have felt that some of these agencies would like to dispose of surplus goods to suit themselves. I have said from the beginning that the Congress should set the policy, and that is what we are trying to do, to the extent feasible and in the public interest. There is no logical reason that I can see why an owning agency should not be governed by the same congressional policies as any other disposal agency.

Mr. ALLEN of Louisiana. Mr. Chairman, may we have the amendment reported again?

The Clerk again read the amendment.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. PLOESER. I object.

Mr. WHITTINGTON. I do not care for the floor, Mr. Chairman, if any other Member desires to speak.

Mr. PLOESER. If no one desires to speak, I withdraw my objection.

Mr. WHITTINGTON. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. PLOESER. Reserving the right to object, Mr. Chairman, the only purpose of my objection was to give every Member an opportunity to be heard.

The CHAIRMAN. Does the gentleman desire recognition?

Mr. WHITTINGTON. I do, Mr. Chairman, but I made the usual request to give the Committee the opportunity to close debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, it is well to keep in mind the provisions of this bill. Section 7 has no reference whatever to the disposition of property by the Administrator under the terms of this act, but only to the disposition of property by the owning agency. If we further keep in mind that section 11 applies to the policies that govern the Administrator in the disposal of surplus property, I believe that it will simplify the problem.

Section 7 (a) has to do only with property disposed of by the owning agency for war production. That is the language. It also has to do with inventory property for war production. The Government cannot dispose of the inventory of a contractor if title is in him. That is his property. But it has to be disposed of by the owning agency for war production with prices fixed by the Administrator.

The amendment of the gentleman from Indiana provides in line 8 that the owning agency must dispose of the classes of property mentioned from (1) to (5)—and I repeat his language—"in accordance with the policies governing the disposal of surplus property by the Administrator." Those policies are not applicable to the disposal of the property mentioned in this section by the owning agency.

I call attention to the fact that if the gentleman's amendment is adopted, it would restrict the owning agencies in disposing of properties without value, salvage, or properties that are generated under the function of the agencies like T. V. A. in a very much greater degree than the policies governing the disposal of property by the Administrator.

I read from section 11:

And shall give effect to the following policies to the extent feasible.

In other words, there is a limitation upon the disposal of surplus property by the Administrator. The gentleman's amendment contemplates that the policies absolutely shall govern. His language is "in accordance with the poli-



cies," and not "in accordance with the policies to the extent feasible."

Subsection (b) provides that any owning agency may dispose of under (1) property that is damaged beyond repair, in other words, a chair that has been broken or destroyed; under (2) garbage. Is it necessary under subsection (2) if the amendment prevails to give a governmental agency or a charitable institution, as provided by section 11, the privilege of acquiring garbage? The gentleman from Mississippi (Mr. COLMER) was right. Under section 11 we would have to give the veterans an opportunity to buy T. V. A. power before we can sell it to anybody else. Subsection (4) reads: "Any contractor inventory in its control."

That inventory is the property of the Government, but the contractor can no longer use the same. The gentleman's criticisms are directed to (5), covering, and I quote: "Any class or type of surplus property in its control designated by the Administrator." If there is any class except property that is of no value like a broken chair, like garbage, like fertilizer generated by Government plants, under (1), (2), (3), and (4), then subsection (5) contemplates that it may be designated by the Administrator.

The gentleman submitted his amendment to the drafting service and they very carefully considered it. If his amendment is adopted with respect to subsections 1 and 4 as to the disposal of property, it would really prevent the disposal of that property, because section 11 applies to the Administrator and this section applies to the agency, and would require T. V. A. for instance, to sell to veterans before selling power to any other person.

I suggest to the gentleman that if he wants to qualify subsection 5—and the matter has been submitted to the legal advisers, to the legal staff this amendment was suggested, and so far as I am concerned it would be agreeable on page 27, line 19, in lieu of the gentleman's amendment to provide "but dispositions under this paragraph or subsection shall be subject to the regulations applicable to the disposal agency."

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. In other words, Mr. Chairman, it strikes me now that if we keep in mind that section 7 (a) is to dispose of properties for war production and that subsection (b) is for the disposal by the agencies rather than the Administrator, I believe it will simplify matters.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman will note that I did not make the provisions of section 11 applicable to the provisions of subsection (a), because that is prop-

erty which I assume under the language is to be devoted to further war production.

Mr. WHITTINGTON. That is right; I understand that.

Mr. HALLECK. Let me make this further suggestion to the gentleman because I do not believe he has answered a single one of the contentions I have made. In the first place, the Administrator does not sell this property.

Mr. WHITTINGTON. I so stated.

Mr. HALLECK. I did not so understand.

Mr. WHITTINGTON. I stated the section provides for disposal by the owning agency.

Mr. HALLECK. I thought the gentleman referred to the Administrator's selling the property.

Mr. WHITTINGTON. So that there may be no misunderstanding, I repeat that the disposal of this property in section 7 under the gentleman's amendment is property which is disposed of by the owning agency, not by the Administrator.

Mr. HALLECK. Beyond that, as far as the property under subparagraphs 1 to 4 is concerned, I can conceive of there being certain circumstances under which the sale of certain parts of that property might not be feasible under some of the provisions of section 11, but I again insist that my amendment refers to section 11 specifically, and the words as to "feasible, and in the public interest" are contained therein.

Mr. WHITTINGTON. I do not pretend to be as good a lawyer as the gentleman, but section 11 prescribes that the Administrator in disposing of surplus property shall dispose of it according to the policies to the extent feasible. The gentleman undertakes to embrace in his amendment only the policy, and thereby restricts it.

Mr. HALLECK. Of course, I do not so read it. I dislike very much to find myself in disagreement with the gentleman, but I contend that my interpretation is the correct one. Be that as it may, with subsection 5 in here—and the gentleman has indicated that certain amendments in respect to that subsection might be agreeable to him—to my mind, that is clear evidence that the provisions of section 11 should apply to the owning agencies as far as they are feasible and in the public interest, and certainly insofar as the property referred to in subsection 5 is concerned because, as I said before, that is all inclusive. It will include all of the surplus property.

Mr. WHITTINGTON. As I understood the gentleman, he at least expressed doubt about his amendment being proper with respect to subsections 1 to 4. In an effort to meet the gentleman half way, I suggested that inasmuch as he was of that opinion, personally I thought that subsection 5 was to be construed generally with respect to the powers of the Administrator under the act. But to clarify the matter and to meet the views of the gentleman with respect to the criticism of subsection 5, I suggested that his amendment either be voted down or be clarified as proposed by language submitted to us, which I proposed.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. COX. Would not the fears the gentleman has in mind be dissipated, and the objective the gentleman from Indiana is driving at be realized, if he would amend the amendment which he proposes by adding the words "to the extent feasible"?

Mr. WHITTINGTON. I would say no. It might be improved, but frankly you would make the disposal of garbage and the products generated by the T. V. A. difficult if not impossible. You must make it first available to Government departments under section 11, and State and charitable institutions if the amendment is adopted. For that reason, I think section 11 is wholly inapplicable, certainly to the first four paragraphs of section 7 (b).

Mr. HOBBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the distinguished gentleman who has just left the floor this question? I understood him to indicate that he thinks contractor inventories are the property of the contractor and not of the Government.

Mr. WHITTINGTON. It says "contractor" here. If that were his property I think the title to it would be in him, and he would have something to say about the disposal of it. The only limitation here is the fixing of price if it is to be sold for war production.

Mr. HOBBS. That is a big "if." The gentleman says: "If that were his property." In many cases that is not so. In a great many cases there is a specific provision in the contractor's contract that the title vests in the Government from the moment the property reaches the reservation, and it is not the property of the contractor. If I recall correctly, this feature of such contracts was one of the admitted points in the so-called Alabama cases in the Supreme Court. I am afraid the gentleman is mistaken in his premise regarding title to such goods.

Mr. WHITTINGTON. Then I would say that it can only be disposed of under prices. I was following the language of the general counsel, the legal department, language which was furnished me in the matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 57, noes 48.

Mr. MANASCO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HALLECK and Mr. MANASCO.

The Committee again divided and the tellers reported that there were—yeas 96, nays 67.

So the amendment was agreed to.

The CHAIRMAN. Section 8 has already been read. Are there any amendments to be offered to section 8?

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment which is at the Clerk's desk.



The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 30, line 25, add a new subsection as follows:

"(d) The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practice and so long as opportunity exists for the disposal of property to prospective purchasers of smaller lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts."

Mr. WHITTINGTON. Mr. Chairman, with all deference to the gentleman from California, if he will yield to me for just a moment, I reserve a point of order against the amendment, but I would suggest to the gentleman for whatever the suggestion be worth that this amendment would more properly come under the policies for governing the disposition. This has to do with disposal agencies here and the policies come under section 11. I would not want to insist on the point of order, Mr. Chairman, but the amendment ought not to be offered at this place, as I see it, but ought to be offered under section 11.

Mr. VOORHIS of California. I will say to the gentleman from Mississippi, I debated that question in my own mind and was unable to determine where was the best place to put this amendment. It seemed to me this is certainly a policy that the Administrator should require the disposal agencies to follow.

Mr. WHITTINGTON. For that reason it should come under the policies section, as I see it, instead of under the section dealing with disposal agencies.

Mr. VOORHIS of California. Subsection (c) of section 8 says:

That the Administrator, by regulations, shall prescribe policies, standards, methods, and procedures to govern the exercise by any disposal agency of its authority under subsection (b) of this section.

Mr. WHITTINGTON. Mr. Chairman, if that be the contention of the gentleman, I withdraw the reservation of the point of order.

Mr. VOORHIS of California. Mr. Chairman, if this amendment is adopted the purport of it will be that the Administrator will be required by the Congress to prescribe for each disposal agency that it follow the policy outlined in the amendment. The first thing I want to say is a word or two about Congress and bureaucrats, and the courts. We hear a great deal in the Congress about bureaucrats exceeding their authority. We hear a great deal in the Congress of complaint about the fact that things are done which Congress did not intend. Then we try to devise some remedy for such situations. I want to say that the real remedy for such situations is more careful legislation on the part of the Congress itself, for the Congress itself to say precisely what it means and to say it in unmistakable terms when it first passes the legislation. That is what my amendment is supposed to do. The committee does provide in the policy section language which indicates that we want the Administrator "when feasible and in the public interest" to dispose of property in smaller quantities. My amendment says that the Administrator

shall provide for the disposal of all surplus property—and mark these words carefully—"in the smallest practicable lots consistent with customary commercial practice." Do not let anybody get up and say this is going to be impractical to administer because it will not be. It says "in the smallest practicable lots consistent with customary commercial practice." Then it says "and so long as opportunity exists for the disposal of property to protect the purchasers of smaller lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts." In other words you cannot sell several thousand articles of a certain sort to one fellow who may contemplate making a speculative profit on them as long as you have a lot of other people who want to buy small quantities of that article. You cannot sell a vast quantity of housing that may have been constructed to one junking company. You have to sell them individually as long as there are people in that community who could make use of them.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. MAY. Does not the gentleman think his amendment would be considerably improved if he would provide in it also that the sales be made to these three million small business concerns throughout the country which have been put out of business and those who are just hanging on?

Mr. VOORHIS of California. In fact, I will say to the gentleman that this amendment, in my judgment, is the one amendment that small business wants more than it wants any other amendment that could be put in this bill. It is the very key to the opportunity of small business concerns to participate equitably in the disposal of this surplus property.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. JENNINGS. It seems to me the gentleman is advancing a very salutary proposition here, and it just occurs to me that no one who is opposed to profiteering by certain people who want to buy these vast quantities of materials and then turn around and profiteer on them at the expense of all the other people of the country could object to the amendment. I think the gentleman has offered a very fine amendment.

Mr. VOORHIS of California. I thank the gentleman.

A little later on in the bill I propose to offer another amendment which will also make mandatory upon the Administrator the publication or complete public notice before sale of any given surplus property is undertaken. And my colleague the gentleman from California [Mr. Izac] will offer an amendment to provide for the fixing by the Administrator of allowable mark-up margins on surplus property which may be resold. These three amendments taken together, Mr. Chairman, will be the minimum safeguards you could have in this whole program.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. VORYS of Ohio. Would the gentleman's amendment require the Government to open up retail stores? That is the only thing which perplexes me.

Mr. VOORHIS of California. No; of course not.

Mr. VORYS of Ohio. Because, "customary commercial lots" might be one pair of shoes.

Mr. VOORHIS of California. "Customary commercial practice." Everybody knows that this is a wholesale proposition that the Government has to undertake.

I want to say one thing more. When I proposed this proposition, the Committee on Post-war Policy Planning, included a phrase in its report—not in the bill, but in the report—recommending that something of this sort be in the bill.

Mr. WICKERSHAM. I wish to say that I agree with the gentleman.

Mr. VOORHIS of California. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to read the amendment:

The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practices, and so long as opportunity exists for the disposal of property to prospective purchasers in smaller lots thereof, preference shall be given to such purchasers over prospective purchasers of larger amounts.

If I interpret that correctly, it means that the Administrator, if it is customary to sell one block of chewing gum, one tube of toothpaste, one suit of underwear, one pair of shoes, is bound under this amendment, because it is mandatory, to offer in small lots—

Mr. VOORHIS of California. Well, will the gentleman yield?

Mr. MANASCO. Yes; I yield.

Mr. VOORHIS of California. Does the gentleman honestly think it is customary for any agent who might have thousands upon thousands of boxes of chewing gum in its possession to sell them one package at a time?

Mr. MANASCO. I never bought over one block at a time in my life. I think it is customary.

Mr. MASON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MASON. The difference between the gentleman from Alabama and the gentleman from California, who offered the amendment, is in the interpretation of the phrase "customary commercial practice." We are talking from the standpoint of these owning agents who will dispose of this thing wholesale, in the customary procedure. The gentleman from Alabama is speaking from the standpoint of a retailer who disposes of his property under the retailer's customary procedure. The two things are altogether different. I think the gentleman from California, from the stand-



point of legislation and from the standpoint of Government departments that own these things, is perfectly proper and right and fully protected.

Mr. MANASCO. If I understand the proposal suggested by the Small Business Committee of the House and the smaller business committees from all over the United States, they want this surplus property to go through the regular trade channels. That means that the local wholesaler will purchase it and distribute it through the local retailers. But if I interpret this amendment correctly, that means the local retail merchant has a right to purchase, or a consumer has the right to purchase.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. Would not that amendment be mandatory and require them to hold it until these small purchasers could dispose of it?

Mr. MANASCO. It would delay the disposal.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. It says that so long as there is opportunity to sell in smaller quantities.

Mr. MANASCO. Well, that opportunity might last for 100 years.

Mr. VOORHIS of California. He puts the property up for bids. He declares this property is surplus. He gives public notice that it is ready for sale. As long as he has offers to purchase in small lots he is precluded from selling in big lots. As soon as the small offers cease, he can get rid of it in large quantities.

Mr. MANASCO. If the gentleman will read section E, on page 33, that can be done under the provisions of this bill now.

Mr. VOORHIS of California. I understand it can be done. It is permissive, and the committee has stated it was in accordance with its desire. What I am trying to do is to say that it shall be done that way.

Mr. MANASCO. Of course, if the Congress decides that we must sell this property ourselves—that each Member of Congress shall have charge of the sales, and if we must cover every commodity by some act, then we will never have any orderly disposal of this material.

Mr. HARNES of Indiana. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. HARNES of Indiana. Under section 11, it provides in this bill that veterans shall have certain preferences, if they want to come back here and go into business and get some of this property.

Mr. MANASCO. That is correct.

Mr. HARNES of Indiana. Unless you adopt this amendment how can a veteran with limited capital bid against big buyers, who will buy these goods in carload lots? How can a veteran be protected in his right to buy small quantities of this property if this amendment is not adopted?

Mr. MANASCO. I think under the terms of the bill as written the veteran will have just as much right as Sears, Roebuck or Montgomery Ward or any-

body else. He will have just as much opportunity.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. If the gentleman will read paragraph F, it says "to foster wide distribution of surplus commodities to consumers at fair prices."

Then paragraph G says "to effect broad, equitable distribution of surplus property." What more can you do?

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. The only thing more we can do is to adopt my amendment. I am trying to help out the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commented yesterday a great deal on the words "defining policies." I am highly amused as well as seriously interested in some of the amendments that are being offered. It proves that this problem of disposal is a very difficult one.

Under section 7, owning agents of property for "war production" means what? Does it mean those owning agents that have potatoes on hand as surplus was for "war production"? Does it mean only those portions of goods that were manufactured or produced for war consumption? I suppose so. But carefully consider these policies expressed in the bill. I like the amendment offered by the gentleman from California [Mr. VOORHIS]. The Committee on Small Business has studied these particular problems and are insistent on mandatory amendments. I sympathize with them; but shall we pass actual mandatory legislation with the word "shall" to tie the hands of the Administrator? An injunction might be brought against sales. The title to all sorts of sales might be jeopardized if we have mandatory sections claimed to have been violated.

The gentleman from California is not satisfied with section C, which defines policies by which the Administrator shall be guided. I am a little afraid of that recital of policy, lest injunction be issued because of a claim that he did not follow out such policy. After all, you must give extraordinary authority to the Administrator in order to dispose of this vast amount of surplus. If we try to look after every individual in the country, many could come in and say, "I did not get proper notice. It was not properly advertised."

For one, I am trying to be satisfied with the stated policies that we desire the Administrator to follow as far as he may do the job successfully. As I have said before in another address, he cannot possibly carry out all the policies enumerated. If he adopts one he may violate a policy of contrary instruction. While I sympathize with the gentleman from California [Mr. VOORHIS], as I always do—he is so terribly sincere—he has something here that demands that all the usual commercial methods shall be adopted. I ask the gentleman could

anyone bring an injunction against that sale because he thought the usual methods had not been followed?

Mr. VOORHIS of California. In the first place I appreciate the gentleman's sympathy, but I do not particularly need it.

Mr. GIFFORD. And you have my admiration also.

Mr. VOORHIS of California. And the second place I say I think this policy so fundamental that every Member of the House already has his mind made up that he wants this policy to be followed. I believe under the language of the amendment it is an entirely administrable proposition, for it says the smallest practicable quantities in accordance with customary commercial practices. It would obviously be up to the Administrator to determine how that applied to each individual type of property. I suppose that if showing could be made that the Administrator had deliberately failed to sell in a small quantity when he had an opportunity to do so, and had deliberately sold a huge quantity of the same thing, then an injunction could be brought. I suppose it could be.

Mr. MASON. And it should be.

Mr. GIFFORD. If deliberately—that word "deliberately" is most important and proves difficult to prove. I want to repeat that as far as I am concerned I must be content with the expressions of policy with the hope they will be followed as reasonably as possible. When we begin to put in too definite instructions that this shall be done and that shall be done then you may jeopardize the whole plan. Too many opportunities would have been provided to bring injunctions or prevent sales.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe we all recognize the necessity for the enactment of this measure. I have reluctantly come to the conclusion that I shall vote for it, but let us not lose sight of the fact that it is in the nature of a carte blanche brand of authority. We have pulled the bridle off and we base this vast delegation of authority on faith, which is defined, I believe, by the brethren down in my part of the country as the substance of things hoped for and the evidence of things not seen. Here is a practical provision that is advanced by my friend from California who is not only sincere but in this instance he is essentially and fundamentally sound. The courts in the interpretation of a statute interpret it in the light of the objective to be attained and also in the light of what is said in the debate with respect to the measure.

It is perfectly plain that this amendment would not require the Administrator named under this act to peddle to somebody a nickel's worth of chewing gum. To advance that sort of argument is to stick in the bark and render your position untenable and ridiculous.

The thing I worry about and that all of us worry about is this: Is it to be possible, will it come to pass, that certain men who control great sums of money can go to this Administrator or to various agencies of the Government that have in their charge and keeping these vast



stores of merchandise that ought to go into the regular channels of trade and into the hands of men and women engaged in business throughout the country or who desire to engage in business and who have been operating under their own power, can these men who control vast sums of money, get in on the ground floor and buy these goods and then sell their purchases at an immense profit to the little businessman? Or will we make certain that the little businessmen get some chance to buy some of this property? Or are certain profiteers, men who control millions, to buy it at a song by going to somebody with an office in a hole in the wall, whose name is not upon the door and who does not have a listed telephone but who can go up some back stairs and through the exercise of an unholy influence control the absolute disposal of this property at such price as they wish and thus enable their employers, these profiteers, to reap where they have not sown and profiteer upon the American people?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. MAY. And that very same individual who gets it in the first place will divide it up into small lots.

Mr. JENNINGS. Yes; ultimately, of course, he will to his great profit and to the hurt of all the people of this country.

Mr. HARNESSE of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HARNESSE of Indiana. Unless this amendment is adopted how can subsection (e) of section 11 be followed out? This is what subsection (e) provides:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

Mr. JENNINGS. Let me anticipate the gentleman's question. It cannot be carried out; in other words we are now legislating. Let us put our will and our mandate into this law in language that is not susceptible of misinterpretation or misconstruction. Let us make it mandatory. Somebody is going to act; why should not we? I might cherish the hope, which would, in all probability, turn out to be a fond delusion, that this director or some one of his deputies would carry out the objectives sought to be attained by this amendment; but how do I know they will? This director cannot himself do all these things; he is going to name a great lot of fellows who will constitute an entire governmental bureau. I want to put a bridle on them; I want to put a check rein on them; I want Congress to hold the lines; I want us to say in indubitable language just what we mean. And we are doing it for the little fellow, the returned soldier, the merchant out at the crossroads in the country, the dealer in these various articles in the small towns. Let us take care of them. They are the people who are to pay the bills ultimately. We are going to lose a lot of money on this property. Let us take care of the fathers and mothers who are bearing the burden, who are paying the taxes,

who are furnishing the boys to fight and win this war.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. JENNINGS. I yield.

Mr. CRAWFORD. I am today informed by the Treasury that they are offering for sale 100,000 cotton mattresses; that is a small cot-size cotton mattress. These are being offered at different prices to strictly wholesalers to be wholesaled to retailers who have 1 store, to retailers who have more than 1 store, at prices ranging from \$3.85 up to about \$4.25 or \$4.50, to be shipped in minimum carloads lots of 600 mattresses to a car. Would the gentleman from Tennessee or the gentleman from California, for the benefit of the House, apply as best he can this particular amendment to that type of operation? Because that brings it down to a transaction that is taking place today.

Mr. JENNINGS. Just let the amendment be followed and let everybody have a chance at buying these mattresses. Oh, you can always multiply difficulties and get lost in a maze of figures, but let us keep our feet on the ground and bear in mind the objectives to be attained. Let us see to it that the little fellow has a chance.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. VOORHIS of California. I believe this amendment would apply in a case like that. They would have to sell those mattresses to local merchants rather than to the mail-order houses; that is all.

Mr. JENNINGS. The gentleman is absolutely right about it. Let us break the number down and sell them in small lots. It will hurt the big fellow to do that but it will help the little fellow. And he is the backbone, the salvation of this country. And this amendment that gives him a chance to buy these goods gives him a chance to survive and benefits all the people.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. HOLIFIELD. Mr. Chairman, I have listened very closely to the discussion of this matter and I believe I can speak with some knowledge of the subject because of my own personal experience of 25 years in merchandising.

The gentleman's amendment refers to practical commercial quantities or trade lots in which merchandise is usually sold. Anyone who has had merchandising experience knows that merchandise is described like this: If you buy shoes you buy them by the case; if you buy oil or paint you buy it by the barrel or the gallon; if you buy certain types of steel you buy it by the carload. In other words, there are recognized commercial quantities in which merchants all over the United States buy their products.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VORYS of Ohio. From the gentleman's vast experience would he answer the question I directed to the author of the amendment? Is there any possibility of this amendment being construed as requiring the Government to make retail sales to individuals?

Mr. HOLIFIELD. I do not think so, because the whole tone of this bill is that the Government shall dispose to wholesalers and they to retail stores. I think that has been stated several times.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOBBS. I wish to ask if there will be any possibility of a farmer's buying a needed truck?

Mr. HOLIFIELD. I think they would be able to, but I think they would have to go to the local dealer. If this provision is not written into the bill some big dealer can step in and buy a thousand of those trucks where your little dealer in the small community will not be able to buy ten and he will have none to sell to the farmer.

Mr. HOBBS. He could not buy it nor could the individual farmer.

Mr. HOLIFIELD. I think that is very true.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MANASCO. I am wondering whether this amendment would have an effect on the title to land. We have a lot of land that is to be sold under the provisions of this bill. Suppose that 3 years after a parcel of land has been sold a man sues on the ground that it was not sold in the smallest practical lot.

Mr. HOLIFIELD. I am not an attorney, but I believe it is generally understood that the Government cannot be sued without its consent.

Mr. MANASCO. Somebody might sue on the question of title.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. MASON. Land is not sold in commercial quantities, and is not affected by what we are considering now.

Mr. HOLIFIELD. Members of this Congress have repeatedly expressed their desire not to create monopolies but to make this bill work to the advantage of the small independent businessman.

Twenty-five years ago in my home town the largest part or bulk of the wholesale and retail business was done by independent merchants. Today that business is being done in large part by units of large corporations and monopolies that exist in the retail field.

If you want to actually do something, here is the chance to do it. I had a very similar amendment which I was going to ask to be inserted on page 33, line 15, in the policy section, and if this mandatory provision is voted down I hope to have the opportunity to offer my amendment later on.

Before my time is exhausted, I wish to say something to the gentleman from Michigan who brought up this mattress deal. I investigated that mattress deal



myself. They are selling those mattresses in carload lots, unlimited in quantity, at \$3.80 apiece to wholesalers. One wholesaler can buy a hundred thousand mattresses, as far as that is concerned and as far as the present policy is concerned. I am not saying they are doing that, but they can do it. They also can sell, in up to 6,000 units to mail-order houses, such as Sears, Roebuck and Montgomery Ward. The smallest a buyer can buy is 600 mattresses. Think of the little independent merchant in your district running furniture stores and utility stores of different kinds. He has to buy 600 mattresses in order to get one, or he can go to the wholesaler who may have up to 100,000 mattresses and pay an increased price. That is their present policy, and that is what they are doing today in the Surplus Disposal Division.

We have to set general policies, yes; but there are some places where we can put some things in that we want to put in, and not leave it completely up to one administrator. We have to do this in order to protect the little merchants in your district and in mine.

What do I have in mind or what do I mean by "little merchants"? I will tell you exactly what the Baruch-Hancock report called them. They said, "Small business is the broad background of enterprises scattered throughout the country, which rely on the initiative and resourcefulness of their individual proprietors." That is what I mean by "small business." I would feel a little safer about small business in relation to this danger of surplus property disposal if the hands of these stronger competitive firms were restricted in connection with the obtaining of this merchandise in mass purchases.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Is it not a fact that under the present regulations the big wholesaler can buy those mattresses at a much lower price than the smaller merchants?

Mr. HOLIFIELD. He buys them at \$3.80 if he buys them in carload lots and the smaller buyer, the retail buyer, may buy them at \$4.25 in lots of 600.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURDOCK. Mr. Chairman, I offer a perfecting amendment to the Voorhis amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK: After the word "with" in the Voorhis amendment insert "the usual and."

Mr. MURDOCK. Mr. Chairman, the amendment I have offered here is a perfecting amendment. I am in full accord with the spirit of the amendment of the gentleman from California [Mr. Voorhis] and for that reason I am offering the insertion of these three words, "the usual and," in order to make the language signify what the author undoubtedly intends. I am not a lawyer and the gentleman from California is not a lawyer, but on consultation with the best legal minds in this Chamber, on both sides of the aisle, I am told that the addition of

these three words will couch the amendment in the proper legal phraseology.

This amendment, if adopted and carried out according to the intent of Congress, will do more toward the proper disposal of this vast supply of property in fairness to the small businessman and in the public interest than any other amendment I can think of. I trust that the amendment will be adopted after being amended.

Mr. VOORHIS of California. Mr. Chairman, I will be glad to accept that amendment. I am advised that that language is customarily used in legal terminology in connection with matters of this kind, and I am perfectly willing to accept the gentleman's amendment.

The CHAIRMAN. The question is on the adoption of the corrective amendment offered by the gentleman from Arizona [Mr. MURDOCK] to the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment to the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I oppose the amendment, and I move to strike out the last word.

Mr. Chairman, the pending amendment is a mandatory amendment and with the consent of the Committee I am going to read it at this time:

The Administrator shall provide for the disposal of all surplus property in the smallest practicable lots consistent with customary commercial practices and so long as opportunity exists for the disposal of property to prospective purchasers of small lots thereof preference shall be given to such purchasers over prospective purchasers of larger amounts.

What is the smallest practicable lot? Who would be the judge? What is the commercial customary practice? Who will be the judge of that? How long are you going to give them?

Mr. Chairman, this is mandatory. Sales might be held up. We are dealing with fifty or sixty billion dollars worth of property. If you are going to handle it in individual units, there will be multiplied retail stores. The Government will be in business for years to come.

The objectives are provided for in this bill. The bill provides—and I read from the objectives:

To afford smaller business concerns, farmers, and agricultural enterprises generally, an opportunity to acquire surplus property on equal terms with larger competitors.

Again it provides for the utilization—and I quote:

Of commercial channels of distribution to the extent consistent with efficient and economical distribution and to discourage disposition to speculators.

If I want to buy a Ford truck, I have to buy it through the Ford dealer in my community. I submit that unless we absolutely mean to disrupt our economy we have to use existing channels and agencies. You must vest in this Administrator a broad discretion. If an amendment like this, with its mandatory restrictive provisions, is inserted, the objectives will be defeated, when in our objectives we have provided for wide distribution.

We have provided for small business, we have provided against monopoly, we have provided for the utilization of the commercial channels of distribution to the extent consistent with efficient and economical distribution and to discourage disposition to speculators. A man may speculate with a dollar as well as with a million dollars. If we adopt this amendment and this restrictive language, we absolutely tie the hand of the Administrator in the accomplishment of the objectives and the policies of the bill now under consideration. We went into this matter carefully. We provided as best we could for equality of terms for the large and the small buyer, not for the establishment of retail stores, although we did not prohibit that. If the large operators will not agree to an equitable distribution of this property, we give the Administrator discretion to force a distribution which will be in accord with the proper economy of the country.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to answer the question that has been asked.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. VOORHIS of California. The gentleman asked who was going to determine what was practicable and who was going to determine what was customary practice. Obviously the Administrator will have to determine those questions.

Mr. WHITTINGTON. And obviously I answered that. That is a fair statement on the gentleman's part. However, the Administrator has no discretion until that discretion is conferred upon him. In the gentleman's amendment there is not a word about discretion. With all due deference, the word "discretion" and the word "shall" are contradictory and the purpose of this bill is to vest him with discretion. But when you use a mandatory provision, the difference between "discretion" and "mandatory" is the difference between this bill as the committee has reported it and the gentleman's amendment which makes it absolutely impossible to administer and absolutely impossible to dispose of fifteen or fifty billion dollars worth of property unless you do it in small units. You tie the hands of the administrator so that it will not be done properly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MASON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do this simply to correct the English of the gentleman from Mississippi. He made the statement several times that "We have provided in the objectives and in the phrases in the bill for doing this, that, or the other things." We have done no such thing.

The gentleman's amendment would provide for that. All we have done in stating those objectives in the language of the bill is to say it may be done or we may do it, but we certainly have not provided for doing it unless the amendment offered by the gentleman



from California [Mr. Voorhis] is adopted.

Mr. REED of New York. Will the gentleman yield?

Mr. MASON. I yield to the gentleman from New York.

Mr. REED of New York. The objectives as set forth in the bill are nothing more than the old whereases that we usually strike out of a bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from California [Mr. Voorhis] as amended.

The amendment was agreed to.

The Clerk read as follows:

#### TRANSFERS BETWEEN AGENCIES

SEC. 9. (a) The Administrator shall establish procedures to facilitate the transfer to each Government agency, for the performance of its functions, of surplus property of other Government agencies. Each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases.

(b) The disposal agency responsible for any such property shall transfer it to the agency requiring it at the fair value of the property as fixed by the disposal agency, under regulations of the Administrator, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Page 31, after line 13, insert a new subsection, as follows:

"(c) (1) Each owning agency is authorized, empowered, and directed to transfer to the Secretary of Agriculture, without reimbursement, deposit, or transfer of funds, for use as provided in paragraph (3) of this subsection, any surplus property in its control which may be requisitioned by him as provided in paragraph (2) of this subsection.

"(2) The requisition by the Secretary of Agriculture shall be made to the owning agency by filing with it a certificate that the surplus property to be requisitioned is needed and useful in carrying out erosion control or soil or water conservation works or related public purposes, and will be used for the promotion of soil, water, or other conservation programs authorized by either Federal or State laws.

"(3) Surplus property transferred to the Secretary of Agriculture under paragraph (1) of this subsection shall remain the property of the United States, but may be loaned, with or without compensation, to soil conservation, water conservation, flood control, drainage, irrigation, or grazing districts or authorities, or to other public bodies, to be devoted to one or more of the uses specified in paragraph (2) of this subsection. Such loans shall be made in accordance with such standards, conditions, rules, and regulations as may be prescribed by the Secretary of Agriculture, after considering recommendations by the Soil Conservation Service.

"(4) When the Secretary of Agriculture determines that property so transferred to him is not needed for disposition under paragraph (3) of this subsection, he shall report it to the appropriate disposal agency for disposition in accordance with the provisions of this act."

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. CASE. Does the gentleman have any objection to inserting the word "forestry" along with "soil or water"?

Mr. POAGE. I have no objection to doing that, except I doubt whether you can do it in the way the amendment is written. I have no objection to making some of this equipment available for the Forestry Service, but I do not believe that it can be done under this amendment as drawn.

Mr. CASE. I do not see why not.

Mr. POAGE. Simply from a drafting standpoint, as I see it, it cannot very well be done. I would gladly take care of the Forestry Service as well as other agencies, but I think it will have to be done separately.

Mr. CASE. The Forestry Service is in the Department of Agriculture.

Mr. POAGE. But it is not in the Soil Conservation Service. While I am in hearty accord with the gentleman's view that we should provide for the Forestry Service, and will support an amendment if he will offer it, I do not think that you can tie everything onto this amendment and make any of it workable.

Mr. CASE. I think it would strengthen the gentleman's amendment considerably by taking care of the Forestry Service as well as taking care of soil and water.

Mr. POAGE. I would be delighted to have the support of the Members interested particularly in forestry, because I am very much interested in it and will be glad to support it. I have, however, worked on this matter, not for days but for a full year. I introduced a bill last February making this equipment available for soil conservation, but I have not yet found how you can combine the needs of soil conservation with the needs of other agencies in one measure. If the gentleman has an amendment to let the Forestry Service use some surplus equipment I will be glad to consider it, and feel sure that I would support it, as I believe that we should use all of these Government-owned surpluses that we need for public purposes. But as a practical thing, we are faced with something we must do if we are to keep faith with the American farmer today. I am not attempting to write all of the legislation on surplus property in this amendment. I am not attempting to do but one thing, and that is to make usable for soil conservation a great mass of equipment that is now in the hands of the Government. We are not attempting to rewrite the whole legislation; in fact, we have carefully written this amendment so that it will not conflict with the policy the committee has adopted and is here advocating no matter how much some of us might disagree with that policy. We have written the amendment in keeping with that policy. We are not giving away property to anybody. We are leaving this property in the hands of the United States Government. We are keeping it as the property of the United States Government. If you will note the last paragraph of this amendment, it provides that the moment we cease to use any property for this purpose, that

it shall again be surplus and be subject to disposition under the terms of this bill. We are not taking anything and giving it away, as someone has suggested. We are simply saying that the Government today owns a tremendous stock of unneeded dirt-moving equipment for which there is no commercial market but which is needed now by our soil conservation districts. I believe that your constituents, the people back home who are tilling the soil, would be appreciative of some very serious consideration of this amendment. I believe that they would want you to try to work out some practical method of putting this equipment to work. I do not want somebody to vote against this amendment and say, "I voted against it because you are giving away a lot of property."

This amendment does not give away any of the property of the Government. It specifically provides that this property that is usable for soil conservation—and there is a lot of it—shall be transferred to the Department of Agriculture only when the Secretary certifies that he has need for it to carry out conservation works; that so long as the Secretary can put it to useful employment in soil conservation work, so long will it remain in the hands of the Department and when it ceases to be so used it reverts to the general pot of surplus property, there to be disposed of under the general terms of this bill. There is no gift of property under this amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HALLECK. I call the gentleman's attention to subsection (b) of section 11, which states the policies. That section would seem to provide for the taking care of governmental operations. May I ask this further question? Would not the amendment that the gentleman is here offering completely circumvent the appropriating authority of the Congress, and that under his amendment the Secretary of Agriculture would be permitted to take as much of this property as he might requisition, even though he asked for the money, for the appropriation, to acquire it, and the Congress might refuse the appropriation?

Mr. POAGE. The amendment simply implements the section referred to. Subsection (b) of section 9 simply expresses a pious hope, a wish, perhaps, that there may be a use for this property by an agency that can use it, but there is no provision in this bill as it now stands that provides that the property shall be placed in the hands of an agency that will use it. The amendment that I have offered does not circumvent anything, but does directly what this Congress has said we wanted done after we have told the people of America that we believe in soil conservation. This amendment directly uses the property that the United States Government has; uses it for a purpose that has been approved by this Congress; uses it for a purpose that is in the public good. If we do not want to use this equipment, if we are unwilling to direct that this equipment be used, then I believe we ought to tell



our constituents frankly that we are not in favor of soil conservation. Personally I am in favor of soil conservation. I believe we must conserve our soil if we are to endure as a nation. I know that our conservation districts must have machinery if they are to do a successful job of conservation. I know the Government owns the needed machinery. I know there is no real commercial market for this machinery. I know that the Government would derive no appreciable revenue from the sale of this equipment, but I also know that this Nation would reap rich returns if this same equipment were put to work in the soil-conservation districts of the Nation. I want this Congress to do, and do now, what we all say should be done at some time and in some way.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FOAGE. No; I cannot yield again just now. The gentleman asked me a question, and I want to answer it. If the gentleman will let me answer it, I will be happy to do so.

The amendment does not circumvent anything. It goes at it directly. If there are Members of this House who believe in using what we have for a public purpose rather than laying it up in storage lots, then you will vote for this amendment. But if you would prefer to freeze this property into storage depots to be placed all over this country, where you will have thousands of valuable machines placed under lock and key and behind wire fences, where your constituents and mine will ride by them day by day and say, "Oh see those draglines, see those bulldozers, see those scrapers that we need so desperately to carry on our program down on our soil-conservation district, but the Government will not let us use them and will not let anybody else use them," if you prefer such a dog-in-the-manger policy, then you vote against this amendment, because there is not a chance in the world that the Government can sell this property for 5 cents on the dollar if you keep the provisions of this bill as they are now written, because there is no market for this kind of equipment.

Some of you who continue to refuse to face the facts will go home and tell your people that you supported soil conservation, but I want you to get this fact in mind clearly, because you know it is a fact and I know it is a fact—you cannot sell this equipment. Be practical about it, and do not give us some theory about how you are going to sell second shoes. What we are talking about is dirt-moving machinery and equipment, and nobody is going to buy it except contractors.

You know and I know that the contractors of America have more dirt-moving equipment on hand today than they have ever had in their history, and they cannot and will not buy this kind of equipment for the next 10 years. You know and I know that if you say that this material is to be sold it simply means that you are either going to turn this valuable property over to a group of speculators for a few cents on the dollar, a thing no one wants to do, or you are going

to put it up in depots there to remain for the next 5 or 10 years, until it has become obsolete, doing no one any good. If you do this you will have denied to this Nation the opportunity to develop the greatest soil-conserving program any nation ever had an opportunity to engage in.

Just this morning I talked to the Department of Agriculture, and they told me that if they could use this equipment, simply put it to use, they could make the present soil-conservation program 10 times as effective as it is today, without any increase in staff. We have the plans drawn to improve farms all over this Nation, but we do not have the equipment with which to do it. Yet you propose here to freeze this equipment so that neither the Government, the taxpayers, the farmers, nor anybody else will get any use out of it. You prefer to set it up and say that because perhaps, maybe, somebody in the future would like to manufacture some similar machinery and sell it at an exorbitant price, you prefer to freeze it rather than let it be put to a useful purpose.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FOAGE. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. On my return to Washington I observed from the train at McAlester, Okla., a large number of these scrapers that had been used in constructing a plant up there. They were not in a warehouse, they were out in the weather. That was machinery that could well be used for the purpose for which the gentleman's amendment is intended. I think that, this being public property, and the gentleman's amendment providing that it is to be used by Government agencies, no one should object to this amendment. It strikes me as being very effective.

Mr. FOAGE. The only reason they object to it is that they want somebody to manufacture new equipment and sell it at exorbitant prices to the farmers of the Nation.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. FOAGE. I yield to the gentleman from New York.

Mr. REED of New York. Would not the gentleman prefer to have this equipment, which is good for soil conservation, used here rather than in the development of cotton in Brazil?

Mr. FOAGE. Absolutely; but the bill as written will let it be given to foreigners as relief but will not let it be used at home even to repair the loss that our land has sustained during the war.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. FOAGE. I yield to the gentleman from Texas.

Mr. FISHER. Is it not true that the House Committee on Agriculture has considered this proposition?

Mr. FOAGE. The House Committee on Agriculture reported a bill to give this equipment to these soil-conservation districts, but in order to comply with the wishes of this committee and in order to stay within the policy enunciated by this committee, this amendment does not give anything to anybody but keeps it the property of the United States Government. The minute it ceases to be used it reverts back to this surplus-property pool.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. FOAGE. I yield to the gentleman from Arizona.

Mr. MURDOCK. I am in agreement with the gentleman's amendment, but I wish it had been broad enough to include furnishing equipment to the Bureau of Reclamation.

Mr. FOAGE. I would be glad to do that, but I cannot do it all in one amendment. The amendment does include irrigation.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for the same period of time used by the author of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, this amendment strikes at the very heart of the bill. It defeats paragraph (h) of the objectives:

To realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

This amendment is in effect an unlimited appropriation for the Department of Agriculture. It is a violation of the spirit at least, of the rules of this House. This bill provides that any Government agency can secure by transfer property declared surplus up to the point of the appropriation Congress has voted it to purchase such property. If you want to accomplish this objective, why not be fair? You say a bill has been reported by the Committee on Agriculture authorizing an appropriation. All right; let it go to the Committee on Appropriations.

Mr. FOAGE. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Just a moment.

Mr. FOAGE. The gentleman stated what I said, but I did not say that.

Mr. COCHRAN. Mr. Chairman, as I have stated before, this surplus property is about the only asset the Government of the United States has. Almost everything else it has is liability. What we want to do by this bill and what the objective is is to raise some money through the sale of this surplus property, which was purchased with the taxpayers' money or which was purchased with the money that we raised through the sale of bonds, and to apply that money to reduce those liabilities. Only when the time comes that we can reduce our liabilities will the time come when we can reduce our taxes.



You adopt this amendment, and, I tell you, it will be only a starter. Others are going to follow. They will want you to give property away to the schools, to the State charitable institutions, and to the States and the subdivisions thereof. We have provided in this bill that up to their legitimate needs this surplus property can be purchased, and they will have priority in buying it.

This is a very, very dangerous amendment. Do you want your Government to realize some money out of this surplus property? The gentleman says you are not going to give it away, you are going to give it to the Department of Agriculture to parcel out right down the line to the various organizations in the counties of this country. When you are going to take care of all the counties in the country, you can imagine the cost to the Government of the surplus property which under this amendment can be taken by the Secretary of Agriculture without putting one dime in the Treasury of the United States.

The Secretary of Agriculture advocated this before the committee in a general statement and advocated the expansion of this department. I questioned him about his statement and his objective and told him that Members of this House were trying to reduce the normal expenditures rather than increase them.

The Secretary of Agriculture seeks to expand his activities by this amendment. Of course he is for it. The gentleman says he called him this morning. He was for it when he appeared before the committee. It is a very, very serious proposition which is presented to the Congress here and let no one say differently. The gentleman from New York [Mr. TABER] has arisen on this floor time and again and made points of order against amendments and legislation which in fact were appropriations. I looked this amendment over. I realize the way it is worded. It is not subject to a point of order because it provides for the taking over of property. But as I said before in effect it is an unlimited appropriation for the Department of Agriculture, added to the tremendous amounts that we have already given them.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. Is this amendment not an abdication on the part of Congress of all of its powers to bureaucrats?

Mr. COCHRAN. Absolutely, without a shadow of doubt. In this amendment we do away with our control of the purse. Now let anybody try to assail that statement.

Mr. TABER. And on top of that he is turning the property over without any control whatever and without any evidence being presented to Congress of the need.

Mr. COCHRAN. That is also true.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Indiana.

Mr. HALLECK. May I say I favor soil conservation. I voted for soil conserva-

tion and supported the appropriations for it. I am still for soil conservation but I am not for an amendment which in this manner would take away from this Congress its control over appropriations because if the Secretary of Agriculture can requisition millions of dollars worth of this property it is as though he takes the money out of the Treasury. That is the responsibility of the Congress. It is up to us to determine what part of this property shall be used for soil conservation by making the necessary appropriations to acquire the property.

Mr. COCHRAN. The argument of the gentleman is sound.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Illinois.

Mr. CHURCH. Our committee added to the board the name of the Secretary of Agriculture. And he was made a part of the advisory board by our committee.

Mr. COCHRAN. Yes; the Advisory Board that was reported by the committee.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MORRISON of North Carolina. If this amendment is voted down and the bill passes and this property is frozen as the gentleman who offered the amendment suggested would be the case if we pass the bill, would that prohibit the Committee on Appropriations for the Department of Agriculture in the regular and orderly way when they consider the next bill from providing for the disposition of this property?

Mr. COCHRAN. It would not. That would come through the Committee on Appropriations?

Mr. MORRISON of North Carolina. Yes.

Mr. COCHRAN. Without any legislation, in my opinion, they can give the Department of Agriculture, if they want to, \$100,000,000 to buy additional supplies and it could be used to buy these supplies.

Mr. MORRISON of North Carolina. If this is adopted by the House?

Mr. COCHRAN. Then they could get it without an appropriation.

Mr. MORRISON of North Carolina. The defeat of this amendment would not prohibit that orderly procedure?

Mr. COCHRAN. No, sir. They could go to the Appropriations Committee.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. DONDERO. I was interested in the gentleman's statement that part of the national debt was incurred in the purchase of this surplus property. Would the gentleman be willing that the money received from the sale of surplus property be covered into the Treasury to reduce the national debt?

Mr. COCHRAN. The money will be covered into the Treasury. I am not going to say how it could be used, but when it is covered into the Treasury then only the Congress of the United States can tell the Treasury how to use it. We are going to owe, on the basis of the present debt, not less than \$6,-

000,000,000 a year interest. So if we will get some money for the surplus property and put it in the Treasury, when we vote to pay the interest on the national debt annually we can use this money to pay that debt and you can also use it to pay the adjusted-compensation bonus that you are going to vote those in the armed forces and you can use it for the expenses under the so-called G. I. bill. We need money. Here is an opportunity to get it. Our former colleague the gentleman from Pennsylvania, Mr. Rich, used to say, "Where are you going to get the money?" Well, here is the answer right here. Stick to the provisions of this bill. Refuse to give this property away. Make those who secure it pay for it. Pay the money into the Treasury of the United States and then you will be doing something for your country. You will be doing something for those poor farmers whom you talk about who are also taxpayers of the United States. Be careful about this amendment, gentlemen. It is a serious proposition. You can destroy the bill by this amendment.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MORRISON of North Carolina. Will the gentleman tell me why it is not just as important to make property appropriations in the regular and orderly way as money appropriations are made?

Mr. COCHRAN. In spirit it violates the rule but in language it does not. I just said that a minute ago, and if it violated the rule, of course I would have made a point of order against it, but a point of order will not lie against it.

Mr. MORRISON of North Carolina. I think such indirect appropriations are more objectionable when we are dealing with property than if we were dealing with money.

Mr. COCHRAN. The Congress of the United States should be condemned more for passing an amendment of this kind than it should be for delegating its power. I sincerely hope every member of this committee will think twice before they vote for this amendment, which, as I said, will defeat the objectives of the bill.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in opposition to the amendment. I have an amendment at the desk to strike out in section 9 (a) the words "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases." I thought this was a bill to relieve the Government of the United States from the holding of surplus property, particularly relating to war goods. If this amendment passes and the words which my amendment would strike are left in the bill the way will be open for the Agriculture Department to take over certain surplus goods, even land, hold it and use it as it may see fit.

I can find nothing in the bill to prevent the Department of Agriculture from doing this. I do not know exactly what the equipment is which the Department of Agriculture could acquire under this amendment. The gentleman from Texas said that there is quite a bit of equip-



ment that it could acquire. We have been protesting a great deal against bureaucracy. Of all the measures that have come before Congress to create bureaucracy since I have been a Member of this body, this amendment, in my opinion, is one of the first and most important.

I believe the amendment offered by the gentleman from Texas should be voted down. What is needed with respect to the Department of Agriculture is to clip its wings. The Department of Agriculture, as it is being run today, is destroying agriculture in America. It is not the help to farming that is proclaimed by some. If this amendment is adopted it will only build up further an already over-stuffed bureaucracy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. COOLEY. Will the gentleman point out to the Committee in what manner the Department of Agriculture is destroying American agriculture at the present time?

Mr. SMITH of Ohio. Yes; because it is a part of the general Federal bureaucracy that knows no limit whatsoever to the acquisition of political power.

Mr. COOLEY. The gentleman has made a general indictment of the Department of Agriculture—the entire Department. According to the gentleman's views, apparently he believes we would be better off if we were to abolish it?

Mr. SMITH of Ohio. Unless the Department of Agriculture is reduced to its proper size and shorn of its abnormal powers, it will become a menace to the farming community.

Mr. COOLEY. The farmers of America do not agree with the gentleman.

Mr. SMITH of Ohio. I am not so sure about that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MAHON. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentleman who just addressed the committee, the gentleman from Ohio [Mr. SMITH], said that under the amendment offered by the gentleman from Texas [Mr. POAGE], the Administrator could transfer to the Department of Agriculture certain lands which are in the possession of the Government.

Mr. SMITH of Ohio. Will the gentleman yield for a correction?

Mr. MAHON. Yes; I yield.

Mr. SMITH of Ohio. I did not say under the amendment offered by the gentleman from Texas. I said that under the language of this measure, and I read the words which referred to that specifically, in lines 5 to 7, beginning with the word "each" in line 5. I said that my amendment would strike out that language.

Mr. MAHON. I thank the gentleman and I now understand the gentleman's statement. In other words, I am sure the gentleman would freely admit that in the amendment offered by the gentleman from Texas [Mr. POAGE] only the property which would be useful in combating soil erosion could be transferred. That would apply to dirt-moving equip-

ment which is so sorely needed by the soil conservation districts of the Nation.

The soil of America has responded very wonderfully during this great war. So have the men and women who till the soil. Production has been marvelous. But I venture the prediction that if the soil of America deteriorates in the next 25 years as it has in the last 25 years, it could never again measure up in so grand a way to the demands that may be made.

You gentlemen are all interested in saving the money of the Government. The gentleman from Missouri [Mr. COCHRAN] would almost indicate that we could liquidate the national debt by selling this dirt-moving machinery to those who would be willing to buy it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MAHON. No; I cannot yield at this time.

We all know there is a surplus of dirt-moving machinery. We all know that if it is sold, it may be sold for 10 cents on the dollar. We all know that the Government will not, through sale, get its money's worth, but if we think soberly on the subject, we know we will get our money's worth if this property is devoted to the public good by these soil conservation districts of America, in building up the soil of America.

There are those who are perfectly willing to give the Administrator a blank check without any yardstick, rule, or regulation, to dispose of billions of dollars worth of surplus property, but they say this amendment goes too far. This amendment only provides that the Secretary of Agriculture, if he can make out a case, may secure this property for the use of the soil conservation districts. If the soil conservation districts cease to have requirement for it, it reverts back to the Administrator and can then be sold. So certainly, no undue grant of power is made by this amendment offered by the gentleman from Texas [Mr. POAGE]. The gentleman from Texas has drawn a very excellent amendment. It has been perfected by the drafting service. I believe that if the Members of the House will listen carefully to the reading of the amendment when it is again read, there will certainly be little objection from those who believe that the conservation of the soil is one of the major problems of the Nation in the years that are to come.

I certainly hope that all those who are interested in agriculture and who realize the vital and significant importance of this amendment will vote for it.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to my distinguished friend from Oklahoma [Mr. JOHNSON] who has long been interested and very active in the problems of soil conservation.

Mr. JOHNSON of Oklahoma. I thank the gentleman from Texas for his generosity. Now may I ask him if it is not true that there are many organized soil conservation districts not only in Texas and Oklahoma, but throughout the country, where the terraces are being destroyed because of the lack of machinery

to keep them in repair and where there is immediate need and great demand for much of this surplus machinery?

Mr. MAHON. Yes.

Mr. JOHNSON of Oklahoma. And if bulldozers, caterpillars, and other surplus machinery are frozen by this pending bill it may be months or even years before such districts or individual farmers will be able to get such machinery. Is that not the way it may work out?

Mr. MAHON. That is correct. These districts are not in a position to buy this machinery, but they are in a position to use it for the public good. Why should we not use public property for the public good, rather than to sell it for a song to the speculator or store it where it can serve no useful purpose?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I dislike very much to oppose this amendment. I dislike to oppose any amendment proposed by my friend from Texas, for whom I have the highest regard. I dislike to oppose any proposal which is made in the interest of the soil conservation. Yet it seems to me that if we adopt this amendment we are simply opening the doors to all proposals which may be made to give away this Government property. This amendment is offered on behalf of the farmers, but the interests of the farmers just the same as the interests of every other citizen are going to be better protected if we set up an agency with authority to dispose of this property in such a way as to get the very most possible out of it. If we start giving away this machinery to the Department of Agriculture, to be loaned to soil-conservation districts, then there is no reason why we should not support all other worthy requests which will be made to turn over various types of property to municipalities, hospitals, schools, and State agencies. Certainly these proposals will be offered. It has already been suggested in the course of the discussion on this amendment that we ought to include forests; that we ought to include reclamation districts. There is no limit to how far you can go if we start giving away this property.

The Secretary of Agriculture was before the committee at the time the hearings were held on this bill, but he did not ask for the proposals contained in this amendment. He did express an interest in securing this machinery for use by the soil-conservation districts. But in response to questions by at least two members of the committee, he said he was asking for it only in the regular way and under the terms already provided in the bill, which authorized the transfer of property to Government agencies upon arrangements being made for the purchase of the same by those agencies.

It has been said on the floor that this property is not worth very much; that it will sell for a few cents on the dollar. If that is true, under the policy of this bill the Department of Agriculture will undoubtedly have the first opportunity to secure that property at this low valuation. Under those circumstances can we



justify giving away this property or any other property, no matter how worthy the cause may be for which it is going to be used? I think if we start now on even as worthy a cause as this we are simply going to establish a precedent and we are going to make it possible for everybody who wants to get some of this property to come in and ask that it be turned over to them on the basis of what we have done for soil conservation.

Mr. MORRISON of North Carolina. If this amendment is adopted and the property is turned over to the Department of Agriculture is there any law applicable to it which would make the Secretary equitably distribute it? Would it not be subject only to his own arbitrary personal direction as to what he would do with it? In this connection let us bear in mind the fact that the general law distributes money with some regard to sections and conditions under which it is demanded.

Mr. HOPE. I think that is true. I know of no law which would govern distribution of it.

Mr. MORRISON of North Carolina. This large appropriation of property would be subject to the uncontrolled will of the Department of Agriculture.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Miss SUMNER of Illinois. What is to prevent the Secretary of Agriculture or the head of any other department or any other person who feels a need for this kind of property coming in here in the appropriate manner with an inventory of the property he wishes to have and the cost of it and the price of it as set by the Administrator and ask the Congress to pass a law saying that he shall have it? In that way Congress would keep a hand on the purse strings.

Mr. HOPE. There is nothing to prevent that being done, and, in fact, that is contemplated in the bill under the provision dealing with interagency transfers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. STEWART. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. STEWART. Mr. Chairman, in my opinion, we are not going to realize too much money after the expense and commissions are paid for surplus war materials. The conservation of agricultural land means something to posterity for all time to come. This is a very sensible and good amendment. In my opinion, we are going to hear more of this bill in future years than any other bill we shall pass in this Congress. We have had one great war within our memory and the disposition of surplus property resulting from that war did not bring any too much money to the Public Treasury from surplus war materials.

I believe the conservation of the soil is the greatest problem confronting America today. It makes no difference in what area, in what district, or what part of the United States, it is. If soil fails, industry one day is going to fail likewise.

It is just as much to the advantage of the industry of America that the soil be conserved as it is to the farmers of America. I intend to still go further and support the Tarver amendment; to give our public schools and higher educational institutions such property as they need; I would give to the municipalities, the counties, and the States such property as they can properly use. When the bill for administering the cost of calculation is finally presented it will, in my humble opinion, amount to a great percent, possibly a major portion of the gross proceeds from the sale of this property we are to dispose of. It looks simple, but we may have to go east to buy this property for the West; we may have to go west to buy this property for the East; we may have to go into the Middle West or the great Southwest to buy this property from speculators for other parts of the United States. We all know that the Federal Government has encroached upon the revenue-raising ability of the States. Of necessity in the prosecution of this war many of the tax programs of the States have been crippled very materially. We can do nothing greater, in the name of good government, than to put the States back in position where they can repair and construct their highways, conserve their soil, improve their school districts, high schools, and colleges, and place the entire plan of municipal, county, and State governments back in the position they were before the war.

I believe the Poage amendment is good. I shall support it and I shall support other amendments that are of a similar nature. We are going to live long enough and, in my opinion, we will not have to live too long to know that if we do not adopt this and like amendments we will have made a mistake.

I favor a law that will give every individual an opportunity to cast an original offer or bid upon any single unit the Government might offer for sale. I am opposed to big speculators buying this property in bulk and selling it to the consumer at 100 or 1,000 percent profit.

Every man in the armed forces should have a priority after appraisal at not more than 50 percent thereof, with ample time to pay for any such article.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WHITTINGTON. Mr. Chairman, I should like to see if we can agree upon a limitation of debate on this amendment. I am not inviting debate but Members have expressed a desire to vote.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 40 minutes, the last 5 to be reserved to the committee.

Mr. ALLEN of Louisiana. Mr. Chairman, reserving the right to object, does that include everybody standing?

The CHAIRMAN. The Chair has taken the names of everybody standing. There will not, however, be 5 minutes to each.

Mr. WHITTINGTON. We understand that.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent

that all debate on this amendment be limited to 40 minutes, the last 5 to be reserved to the committee.

Is there objection?

There was no objection.

The CHAIRMAN. The Chair has the following names of Members who were standing seeking recognition on the amendment: Messrs. ALLEN of Louisiana, McKENZIE, WICKERSHAM, HAYS, MORRISON of North Carolina, TABER, and CRAWFORD, and 5 minutes to be reserved to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. JENSEN. Mr. Chairman, is my name on the list?

The CHAIRMAN. The gentleman's name is on the list now.

Mr. JENSEN. I have decided I would rather speak afterward. In the event this amendment is voted down I have an amendment to offer in its stead.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Chairman in the bill as it is presented by the committee ample provision is made to let any of this surplus property be transferred to the Department of Agriculture. In this particular section in subparagraphs (a) and (b) provision is made that all of this property or any of it as needed may be transferred provided it is charged to their appropriation.

Why should this property be transferred to the Department of Agriculture en masse as the Department of Agriculture asks for it regardless of whether or not they have come to us and asked for the authority?

What this amendment means is an entire abdication by the Congress of its power over the departments and bureaucrats. If you want bureaucratic government you want to vote for this amendment. That is the trouble with this amendment. The backbone of this amendment is the destruction of the American form of government. Whether or not it is needed if this bureaucrat tells us he wants it he gets it, and there is no determination by the legislative branch of Government as to the need, and no reviewing it at all. It is an absolutely uncontrolled proposition. It is not in the interest of soil conservation but is absolutely destructive of any confidence on the part of the public in the Department of Agriculture. Any time you give a bureaucrat power like this he always runs haywire. You must not do it. If we give this Department this power we have got to do it for every other bureaucrat and there will be absolutely no control of this surplus property proposition at all. We shall have to give it to U. N. R. R. A.; we shall have to give it to every other set-up that is in any way involved in the Government. We cannot stop with Agriculture. We shall have all sorts of demands made upon us. If we do not stand up and assert the rights of this Congress we are not going to get anywhere at all. Every time anything of this kind is done we get into trouble. I have seen it happen time after time. We delay the use of this surplus property, we prevent its utilization by proper authorities, and we prevent



the Government's salvaging anything out of it.

Mr. RABAUT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to commend the gentleman. I agree with him wholeheartedly in his statement.

Mr. TABER. I thank the gentleman. It is about time the Congress began to wake up and decide whether or not it is going to meet its own responsibility or surrender to the bureaucrats. I hope the pending amendment will be rejected.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Louisiana [Mr. McKENZIE].

Mr. McKENZIE. Mr. Chairman, it is a little short of amusing to note the confusion that seems to attend any attempts to do something for the farmer. A few minutes ago one of my distinguished colleagues said to me: "I am a city man, so it don't make a darn bit of difference to me." He is a lovable fellow, he is sincere, but he was facetious in that statement, yet that really expressed the way he felt.

I do not know why it is that everybody seems to think we are giving this stuff away. We are not. If I understand this amendment correctly, it merely provides that we shall lend to the soil conservation districts so long as it is being properly utilized this equipment which they need. Let me say to every Member of the House that it makes no difference whether you are from the country or from the city, do not kid yourselves, the heart of America as well as the breadbasket of America is back on the little rural farm. The greatest danger today to our agriculture is the depletion of our soil.

In the hills they need all the terracing they can get. They need water conservation. Down in the swampland and lowland country they need drainage. They need also cover crops, pasturage and leguminous crops to rebuild that soil. It is a vital question to every person here today after the depletion that our soil has suffered under the wartime strain of producing not only for America but for our allies and other peoples of the world. We should immediately start rebuilding this soil and in rebuilding the soil we will rebuild the prosperity of the future of America.

It is silly to say that we are giving this material away. It belongs to the Government and, after all, the soil and the products of the soil belong to the Government and the people of the United States. One of the best things we can do with this stuff is to let the farmers have it in the various soil conservation districts to rebuild the soil because, after all, there is an extreme surplus of this type of equipment and you will not be able to sell it for a nickel on the dollar.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. LEMKE. Mr. Chairman, there is a lot being said here about giving things away. This property belongs to all the

people of the United States and the farmers compose at least one-fourth of the population. I also realize there are some who are very liberal always in giving away everything except when the farmer is going to get a little benefit. He has been made the goat of this war the same as in the last war and will again be made the shock absorber when this war is over.

At the present time I realize that the Department of Agriculture needs some ditching machinery in my State and in other States. From ten to fifteen million bushels of wheat will not be harvested in North Dakota because the ground is too wet. We do not have ditching machinery. That is being used for the war effort. An additional 5,000,000 bushels will be lost because we have not sufficient farm implements to harvest the crops. The manufacturers were not allowed sufficient steel to manufacture the farm implements.

These are things for you to consider. You ought to consider the question of giving something to agriculture. You live on the farmer's products. You are going to give most of this stuff away anyway. You will never get its full value. You will have to dispose of it at a very small part of its cost. Why should not the Government keep some of the property that it owns and can use and get 100 percent utility out of it rather than to give it away for 5 cents on a dollar when it paid 100 percent for it? There is no reason why this amendment should not be adopted.

Most of the fears that have been expressed here are simply imaginary fears. They are like the old maid who said she was afraid she might have a baby some day and it would fall into the fire and burn to death. This is simply a question of distributing the accumulated wealth of all the people of this Nation that has been gathered for the war effort so that all of the people may get something in return for what they have been paying for through taxation.

The Government of the United States has the machinery which it intended to use for the war effort. It finds now it has a big surplus. Why should it not be distributed to the people who paid for it and who can use it in the name of the Government and by the Government for purposes for which it may be legitimately used and out of which the Government can get 100 percent utility value? Our poor old Uncle Sam seems to be a rube most of the time and gives away the birthright of the American people without knowing it half of the time.

Various questions have been raised all through the debate. First, there was the fear of not having responsibility fixed. It is claimed that we must have a one-man dictator—not a board but an individual—in order to make it a success. That was the talk of Caesar, of Augustus Caesar, of Charlemagne, of Alexander the Great, and lately of Stalin, Mussolini, and Hitler, and that same idea has found some force and is now lodged in some of our American institutions, but, after all, the people of this Nation are vitally interested and we are not so much concerned with fixing responsibility in one individual as in fixing responsibility

in the American people to use that which they have created for the best use and purpose it can serve.

Mr. Chairman, I am for the pending amendment.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Oklahoma [Mr. WICKERSHAM] is recognized.

Mr. WICKERSHAM. Mr. Chairman, I hail from a State which is fairly new, the great State of Oklahoma. That State has not been settled many years. Previous to that I lived in Arkansas. In a certain portion of that country where I lived the land has already washed away. I lived in Kansas for 7 years and that land, though more fertile than many other areas, has lost a lot of its fertility. If you and I would spend a few minutes in a plane observing our country and see what is happening to our soil, you would support this amendment wholeheartedly. The Agricultural Committee of the House agreed to a bill embodying the provisions of this Poage amendment some time ago. Passage of the pending amendment would be beneficial to the whole Nation. Instead of receiving 10 cents on the dollar for the caterpillars, bulldozers, and other soil-building equipment we would get \$10 worth of good for every dollar value of the equipment.

The gentleman from Texas [Mr. LUTHER A. JOHNSON] mentioned the fact that when he was returning on the train he saw hundreds of pieces of this idle equipment in McAlester, Okla., out in the open and behind a fence. These bulldozers, caterpillars, trucks, and tractors have been there at McAlester for months. I want to tell you men who want some kind of economy what is going to happen to this. It is scheduled to go to foreign countries.

Mr. POAGE. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Texas.

Mr. POAGE. If the pending amendment is not adopted will not these and many thousands more of these machines stay in depots all over this country for years until some market develops?

Mr. WICKERSHAM. You are correct.

Mr. POAGE. Which market does not now exist for this equipment?

Mr. WICKERSHAM. And the ones that need it most are the soil-conservation districts, which are in dire need of this material and equipment and will not be able to buy it. By adoption of the pending amendment those who are in dire need will obtain such equipment.

Mr. POAGE. Who is there today able to buy and pay for this equipment?

Mr. WICKERSHAM. Only the contractors.

Mr. POAGE. Does not every contractor in America now have more equipment than he needs?

Mr. WICKERSHAM. Yes; he has more than he needs.

Mr. POAGE. If we do not use this equipment for soil-conservation purposes now, is it not apt to hang over the market for years to come, and will it not destroy the very people who want the



Government to hold it in the hope that they will be able to sell new?

Mr. WICKERSHAM. Yes.

Mr. POAGE. If we put this equipment to use now, they will be able to sell new equipment faster.

Mr. WICKERSHAM. It will not hurt the laborer, the business firms, or anyone else. It is wise to dispose of it as advocated by your amendment.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the Department of Agriculture can get this without reimbursement, can it not get it by reimbursement?

Mr. WICKERSHAM. The time to use this equipment is now. By the time the Department of Agriculture comes to the Congress and by the time we have committee hearings, the war will be over, we hope, and the greatest need for this equipment will have passed.

Mr. POAGE. Mr. Chairman, if the gentleman will yield further, is it not better to transfer this property now? If the gentleman from Mississippi believes in transferring it to the Department of Agriculture, why not do it directly instead of taking a year's time?

Mr. WICKERSHAM. Now is the time.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

[Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.]

Mr. MURRAY of Wisconsin. The question of this equipment was brought up many times during the last few weeks that I have been home, so that I do not approach it purely cold here today. I think that first we ought to consider the fact that this amendment will turn over equipment to an agency of the Department of Agriculture of the United States which is but a small unit getting an appropriation of somewhere around \$25,000,000. The Soil Conservation units do not include all the counties of the United States in its organization. I am speaking of the Soil Conservation Service. We are appropriating and spending money for five different agencies on soil conservation. These appropriations should, and no doubt will be, consolidated.

The agricultural leaders in my district seem to feel that the best use of this material—and they did not ask for it to be given to them, but to have a chance to buy it at the price it would be sold for to speculators—would be to put it on a county basis where we already have an organization. If the present A. A. A. is continued in its present form we have an organization in existence and one that could go ahead and cooperate with the county boards and make the best use of this material. We would then have a set-up that is organized to use it. We also have our county highway departments, so that we would have a place for storage of the equipment.

If we are just going to turn this material over to the Soil Conservation Service, which does not include all the counties—and there are no projects in many of the counties—they would be

left out altogether. I am sure the approach of the gentleman from Kansas [Mr. HOPE] is right. We have reason to think that the Secretary of Agriculture is going to be looking after the interests of agriculture as well as any other of the departments of government. This material should go to the units that can make the best use of it, and that is going to be the county unit, the county board in cooperation with the A. A. A. at the present time, which is the strongest agricultural unit we have and which, by the way, is receiving appropriations many, many times greater than the appropriations to the Soil Conservation Service.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. REES of Kansas. Does the gentleman contemplate turning this material over to the triple A rather than to the Soil Conservation Service?

Mr. MURRAY of Wisconsin. I would, sir, in my State, if it cooperates with the county board and county highway department which I am sure they would do.

Mr. REES of Kansas. As a matter of fact, this machinery is going to be sold for probably 10 cents on the dollar, is it not? There will be no competition except as between those contractors who already have a lot of machinery. I am wondering if after all there is not something to the theory that we ought to get this machinery back and use it for the best purpose. Is not the best purpose to use it for soil-conservation purposes, after all? Is not that what it ought to be used for?

Mr. MURRAY of Wisconsin. I am not opposing the turning over of this equipment for the use of the rural areas. What I want to emphasize is that the equipment should be turned over to units of government like the county that has the storage and service facilities. At the present time the A. A. A. is the logical agency to cooperate with the county boards and highway departments. As to the future no one knows but we have every reason to believe that our counties are going to be in existence and that the county units of government will be more than willing to acquire, store, and service this equipment in cooperation with the A. A. A. or the leading agricultural agency existing in the county at that time.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

[Mr. ALLEN of Louisiana asked and was given permission to revise and extend his remarks.]

Mr. ALLEN of Louisiana. Mr. Chairman, I want to present this matter from a little different angle. We have been depleting our soil. We have been telling the American farmer during this war to produce, produce, produce. They have not had the labor to keep up the soil, and they have not had the machinery with which to do it, either, for the past 3 or 4 years. As a result, the soil of America, the farms of America, are probably in the worst condition now that they

have ever been in. Certainly much of the benefit to flow from a return of this surplus material ought to go right back to rehabilitate those farms that have been depleted during the war. Some years ago we had before the Committee on Flood Control, as the gentleman from Mississippi [Mr. WHITTINGTON] knows, Dr. Bennett of the Soil Conservation Service. He told us that we were losing about 300,000 acres of soil a year now. He also told us that at the rate we were going in the United States, we would deplete our soil within perhaps 150 years to the point where our country would not be self-sustaining agriculturally. That is a serious matter.

The contention is made by the committee handling this bill, that we should let it go through the Committee on Appropriations. Our farms cannot wait for cumbersome procedure. The farmers who have not had the labor and who have not had the machinery need that machinery now. The soil-conservation districts need it now. The farms need to be conserved now. We cannot afford to perpetuate the thing that has been going on. I would like to see that situation corrected. Here we have a direct method of correcting it. We have a chance to do it immediately, and that chance is to make this material available to the soil-conservation districts.

Here is another thought I desire to present. Perhaps the largest group of returning servicemen will go back to the farm. A large percentage of the returning veterans will go back to the farms. Many are going back to farms that have been somewhat depleted, eroded. They are going back to farms that have not had labor or machinery. We have said that we want to take care of those men. In the G. I. bill of rights we said that we want to take care of those men. If we want to take care of them, it is the obligation of this Congress to see that the soil-conservation districts get this material so that they can assist those boys to go back to the farm and really make a living. We will be lending them money to buy farms. We owe it to them to help them from the beginning to conserve their soil. Let us lend them money to go back there and buy a farm and then help the soil-conservation district in which the farm is located to get this machinery so that the veterans and others may be able to protect their lands in the modern way, with modern machines. That is real service to the veteran. That is service to the Nation. That is putting this surplus machinery to the best possible use.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. WHITE. The gentleman from Louisiana comes from a State that has much unclaimed forest and stump land. Would he not be in favor of putting some of this machinery, such as bulldozers and tractors, to work to reclaim the land in Louisiana, which land might be settled by the returning veterans?

Mr. ALLEN of Louisiana. There is no question about that. The author of this amendment is perfectly willing to do that if you can work it out. There



is no argument between soil conservation, reclamation, and reforestation.

I appeal to you to support this amendment. It is not sectional. It is for the Nation. The conservation of soils inures to the benefit of everybody in the Nation. The city dweller should be as equally interested in conserving our soil. During the war we have been cutting great quantities of young timber, pulp wood, and we have been cutting all the sawlogs and other timbers possible. This, coupled with the lack of labor on the farm and with the shortage of machinery, has perhaps accelerated erosion. We must now take up where we left off at the beginning of the war and proceed with our soil conservation. Our soil-conservation districts, created all over our farm sections, have done a good job with the labor and material obtainable, but they have been badly handicapped because of war conditions. But rains, erosion, washing, do not wait on wars. To make this machinery available to check and stop this vast national waste and destruction of our lands is a real investment. It is imperative. This move is especially timely. I urge the adoption of the amendment to let these soil-conservation districts have some of this machinery.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, woe unto the taxpayers of this country. There is some hope that by wise legislation and honest and able executive action a large reduction might be made in the great debt necessarily piled up by this war and the other troubles of our country in recent years. Between the noble groups of splendid people, schools, hospitals, farmers, and other most popular and worthy groups who want this property given to them for commendable purposes, disregarding its effect on orderly appropriations, but as an expression of sympathy for the noble purposes to which they wish to dedicate them; and the organized thieves in the United States, on the other hand, constituting another hidden but mighty host of those dedicated to selfishness and devilry who want to steal all of this property possible, it looks as if it is going to take the wisest and most careful action upon the part of both the legislative and executive branches of the Government to keep these billions of dollars' worth of property from being given away in a demoralized and disorderly manner to good purposes, or from being absolutely stolen by organized greed and devilry.

I hope that no man here doubts that I am devoted to the soil-conservation policy of my country. I love to think that we have made appropriations about adequate to meet the demands of that very worthy effort on the part of our Government to conserve our soil. I do not think the appropriations have been inadequate because nearly all have favored those appropriations and they have been made in as generous amounts as that great activity of our Government could digest. We have made the appropriations generously. Now it is proposed

to dip into these billions of dollars' worth of property, predicated on this logic, that we will not get 10 cents on the dollar for this very valuable property. If we do not, somebody ought to be put in the penitentiary. I do not believe that any such disaster will befall us. Ten cents on the dollar? Why? If as the Administrator of this law there is appointed the man who I know will be appointed and probably confirmed by our Senate, no property in the United States will be sold for 10 cents on the dollar of its real worth.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I have listened attentively to a number of speakers who have risen in opposition to this amendment in an attempt to ascertain exactly what the basis for their opposition has been. I have been forced to the conclusion that for the reasons they have advanced in behalf of their objections we are indebted to the fertility of their imaginations. They imagine all manner of dire consequences that might result from the manner of the administration of this provision if the Secretary of Agriculture should be given the authority provided in this amendment and this small amount of used surplus machinery should be made available to the Soil Conservation Service for soil-conservation purposes.

In addition, they say, as the distinguished gentleman from North Carolina has just said, "Woe unto the taxpayers of America if this should pass." But the main argument has been that the amendment might open the way to a possible abuse from an administrative standpoint.

May I call your attention to the fact, before a vote is cast against this amendment, that under the terms of this bill and under the terms of the amendment itself, quarterly reports to the Congress are required to be made by the Administrator and by those who operate under him. The Congress then will have the opportunity to read those reports and see exactly what is being done with every piece of this machinery. If it is a good thing it can be continued. If it proves to be a bad thing it can be stopped. If there is an abuse, if a lot of it is being stolen, as the gentleman suggested who just preceded me, if it is being thrown away and being misused, then this Congress would have the authority and the obligation to step in immediately and do something about it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I am sorry. I do not have the time.

Mr. MORRISON of North Carolina. Do not misrepresent me. I never said that. I do not believe that anybody has stolen or will steal, but they will try to do it.

Mr. FISHER. I heard the gentleman talking about that general subject and I assumed he was talking about this amendment when he was doing so.

Mr. MORRISON of North Carolina. The gentleman did not hear me.

Mr. FISHER. Anyway, the gentleman talked about the possibility of this property being stolen or dissipated in some way or other. I say that here is a chance to prevent that very thing. Here is a chance to put this machinery to work. Here is a chance to put it where it will do the entire Nation some good. Here is a chance to be of real aid in carrying on and carrying out a policy that has been followed by this Government since 1929—a policy of preserving the soil and of undertaking to prevent its waste, its destruction, and its erosion by the floods and by the wind.

Mr. Chairman, let us see for just a minute what this amendment seeks to do and the good that it seeks to accomplish. There are today 1,000 soil-conservation districts in this country, organized under State laws and directed by local citizens. At the present time those districts are treating 570,000,000 acres of land with the aid of such machinery as they can secure and afford. Through terracing and other scientific conservation practices, they are attempting to hold on to the few inches of topsoil which it has taken nature ages to build up and which when once lost are gone forever. Ninety percent of the job remains to be done. The Soil Conservation Service tells us that already 282,000,000 acres of land—about 15 percent of the Nation's landed area—have lost that topsoil by soil erosion. We are told further that every year 50,000,000 acres are being seriously damaged and all but put out of productive use. This is all because those few inches of topsoil are being blown and washed away. That kind of a condition can be largely controlled by soil-conservation practices made possible by the surplus machinery that would be made available by the terms of this amendment.

Every one of us knows that the wealth of this Nation is determined by the productivity of its soil. We all know that a nation that is poor in soil is a poor nation. We all know that all through history the strength and the character of the peoples has gone up and down with the value and productivity of the soil. We all know that the topsoil that is being wasted and washed and blown away constitutes our most important and irreplaceable natural resource over which we have control. Since it has been established as a national policy to aid in preserving that soil by the prevention of erosion, why should we not act now and make a small amount of this used machinery available, instead of storing it away or selling it to speculators for a fraction of its true productive value?

Just recently this House authorized an appropriation of \$800,000,000 for post-war flood control in this country, and every project provided for was recommended by the Corps of Army Engineers. Prevention of soil erosion is an essential part of flood control. "Woe unto the taxpayers of this country," the gentleman from North Carolina could have said when that was done.

Mr. MORRISON of North Carolina. Mr. Chairman, if I may interrupt the gentleman, I am satisfied he did not hear me, because I said there were two groups,



one wanting this to be given to them for the noblest and the most splendid purposes, and the other the mysterious ones. The gentleman ought not to represent me as saying any such foolish thing as he has done.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, it seems to me that this is a reasonable exception to the procedure that we are generally agreed is sound. Unless it can be treated as a logical exception, of course, it ought not to be adopted, but I believe we can justify it.

We have here property that is to be devoted to a public use, a social purpose, not for any private purpose but for the conservation of our soil. There is not time to elaborate upon the need for it. It is a question of emphasis. How seriously do we accept this problem of soil conservation in America?

We have the problem of balancing these two elements in the policy we are now defining, the revenue element and the public service element. I think it has been pretty well determined that the revenue element in this particular proposal is not a very great one, because the property that is to be used under the procedure of the gentleman from Texas is of a specialized character, certain heavy equipment.

Last year the greatest flood that ever came to our section, the Arkansas Valley, destroyed one-tenth of all the tillable acres between Fort Smith and Little Rock, and even below Little Rock. The Army came in under powers extended by the Congress and repaired much of that damage. After that was done, we saw many of the implements, many of these items of equipment that we can now use lying idle on the roadside. It was obviously surplus property. That is all the amendment proposes to do, to make available that specialized type of property for one of the most important functions of government.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. POAGE. Of all the speakers who have spoken against this amendment, not one yet has told us what they would do with this property other than to let it rust by the roadside or in some depot, if we do not pass this amendment, because not one has shown us where there is a market for it. I wish the gentleman would ask the next speaker for the opposition to point out where he expects to sell this property if it is not to be used by the soil-conservation districts.

Mr. HAYS. I thank the gentleman.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I should like to answer the question of the gen-

tleman from Texas by saying that you should do it on a county basis, giving it to counties that have county sheds and can keep it under cover. You have no place to put this machinery if you turn it over the way you want to turn it over, because the Soil Conservation Administration has no place to store it. I want to put it on a county basis and put it with a public institution elected by the people, a county board. I want it to go back to the people and let them take the responsibility of storing it and using it.

I may say that I also am afraid that if you distribute it the way you want to distribute it it will be distributed the way a lot of other things have been distributed the last few years, with 25 percent of the parity money going to Texas and all of the money rolling down South, and not going over the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, I assure you I get no pleasure out of appearing here so much in the consideration of this bill. Certainly I do not like to hear the sound of my own voice that well. But it seems to me that this is a fundamental proposition, one that was carefully considered by half a dozen committees before this provision was placed in the bill.

Of course, we are all for soil conservation. We are all for utilizing this surplus property wherever it can be utilized for soil conservation. But what we are opposed to is singling out one division of the governmental agencies and giving it priority and preference over everything else.

The gentleman from Texas [Mr. POAGE] wanted somebody to answer a question about what we would do with this property if we did not adopt this amendment.

Mr. POAGE. I asked who would buy it.

Mr. COLMER. Why, we are going to do with it exactly what we would do with it if we do adopt the amendment, we are going to make it available to the Soil Conservation Service.

Mr. POAGE. When?

Mr. COLMER. We are going to make it available to the Soil Conservation Service but, on an equal basis with other public, governmental, educational, charitable, and eleemosynary institutions, highway departments, States, counties, and municipalities. But the gentleman wants to take it away from all of them. He wants to take it away from the returning veterans, from the small business concern, from the farmers, from the agricultural enterprises, all of which are taken on an equal basis under the provisions of the bill. If this amendment is adopted, as much as you are interested in soil conservation, and I am interested in it also, you will put the whole thing out of kilter. When you adopt this amendment be prepared to adopt every other amendment which is offered to give priority to every other group, educational, political, and other subdivisions of government. Then no one will be able to get anything.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HALLECK. I wonder if the proponents of this amendment would also suggest that the Surgeon General of the United States be given the power to requisition whatever hospital equipment may be declared surplus.

Mr. COLMER. You must do that if this amendment is adopted, in order to be fair. I regard this as the test of whether we are going to try to write this bill upon the floor of the House, or whether we are going to try to keep it on an even keel. I sincerely trust that this amendment will be defeated. If the amendment is adopted, then I am going to be prepared—I will have to be prepared—to go along with every other amendment. Then what would be the result? Then we would have a conflict of priorities. We would say, "You have to give priority," as my friend suggested, "to the Surgeon General." We would have to give priority to educational institutions. We would have to give priority to counties and municipalities. Where would your Administrator be when he got through with that?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, this amendment goes to the very heart of this bill. Its purpose is to realize the highest obtainable return for the Government. This property belongs to the taxpayers. They have bought our bonds.

The theory of this bill, the policy of this bill is for donations of property that have no commercial value. If there is a bulldozer which has no commercial value the agencies of the Federal Government will have first call and then the agencies of the States and then it might be otherwise disposed of. It has been said we have fifty or sixty billion dollars' worth of property and surely we could give some to the Soil Conservation Service. Please keep in mind that much of that property is ordnance and ships, and that only about six or seven billion dollars' worth of property will be available to the civilian population of the United States. The fundamental principle in this bill is that every acre of land, every item of property belongs to the United States and not an acre of land and not an item of property can be disposed of except by congressional action. That is provided for here now in the bill where we have said there shall be no donations; where we have said the Federal Government or departments may have the priority as to transfer always by coming to the Congress and justifying the transfer. We have said that the State agencies shall also be considered. But please keep in mind if there are trucks at McAlester or anywhere else, those trucks will not now be disposed of. They will have to be declared surplus before there will be any disposition of them. This amendment and similar amendments will require that we relinquish the purse strings of the Treasury. If we turn over this surplus property to the Department of Agriculture it is said that this is nothing but



a transfer without a reimbursement, with the privilege of returning it after it has served its purpose; with the privilege of giving it back to the Government instead of sending it back to the junk pile. Do not be misled. It is nothing more than a donation, nothing more than a gift. But when we give them this property, then they come to Congress and must have additional money for more employees. They must have more money for repairs. There will be bureaucracy run riot. Yet we are here to legislate in the interest of the taxpayers.

I repeat that the whole fundamental theory of this bill is if there is property that has no commercial value, if those bulldozers are not of any value to the men who are going to be called upon to rebuild our highways, and we have done no highway construction during the war, to rebuild our streets; and to do the other improvements which are necessary, if they are of no commercial value we treat the Department of Agriculture and every other department in exactly the same way. They have the first call. The State institutions have the next call. But we require all of them to pay the valuation that is fixed upon it. I repeat if there will be no market for trucks, if there will be no market for these bulldozers it will be very easy to determine they have no commercial value, and then they may be transferred. We have given the Federal Government the power and then the State and then the individual; we have treated them all alike. We have done exactly what we did back a year ago when some amendments were proposed for the donations of bulldozers that were used on the Alcan Highway for the construction of that highway, and we required the soil-conservation districts and other departments to come here and testify as to the requirements. We have been generous with the Soil Conservation Service. There is not a man in this Chamber, there is not a man who is more interested in flood control and soil conservation and the control of our waters than I am. But I am profoundly more interested in my Government and in the protection of the Federal Treasury. I want no flood control, I want no soil conservation unless the agency is able to justify it before the appropriate committee of the Congress when appropriations for them are being considered.

Mr. CASE. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITTINGTON. I yield.

Mr. CASE. It is clear, I think, that if there is no commercial value they can be donated but under the provision for transfer it provides for a transfer at a fair value. Would the gentleman say a proper interpretation of fair value would be that it would not exceed the price which would be obtained in sale on the open market?

Mr. WHITTINGTON. I will say this, that whenever a Government agency comes before the disposal agency and testifies to a need for this property, that agency should come first and undoubtedly the disposal agency will be most liberal in the interpretation of the provisions of this bill, including the term "fair value." I believe the gentleman

has given a reasonable definition of "fair value." This amendment goes to the very heart of the bill. I trust it will be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. CASE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to use the 5 minutes but I would like to pursue the inquiry that I directed to the gentleman from Mississippi a bit further. My purpose in asking that question was to bring out the point that if some of this equipment is going to be sold for a song or at 10 cents on the dollar, if the governmental agencies will have an opportunity to purchase it at that low price they are not going to be too badly hurt.

Mr. WHITTINGTON. They have the priorities. I repeated that statement.

Mr. CASE. I want to get clear what the interpretation of fair value would be. It might be that the Administrator will appraise this property and fix a normal value for it which might be considerably in advance of the market value.

Mr. WHITTINGTON. They fix the valuation of the property and the only justification for their not disposing of it is where it has no commercial value.

Mr. CASE. Suppose this machinery or this equipment is more or less of a drug on the market?

If it is put up for sale, it might sell at considerably reduced prices. Will the Government agency, under your interpretation of all the provisions of the act, have a right to come in and buy that at the same price for which it might be sold to an individual or corporation?

Mr. WHITTINGTON. On the contrary, the Government agency and the State agency get priority. They come first.

Mr. CASE. With the record clear on that point, if some of this equipment is more or less of a drug on the market, then the soil-conservation districts are not going to be very much put out if they purchase it for a song, as has been suggested, and acquire outright title to it.

Mr. MAHON. Will the gentleman yield?

Mr. CASE. I yield.

Mr. MAHON. I wonder, for example, if a State is interested in the purchase of some property, if the disposing agency would wait for several weeks or a month or for several months while they make an appropriation for that purpose, or wait for the convening of Congress and the procedure requiring months whereby appropriations could be made here, or would the property just be dumped on the market?

Mr. CASE. I am not the one to answer that question officially, but I notice that in section 11, under the heading "Policies governing disposition," the Administrator is to be guided by certain objectives. The first one is:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

And the next one is:

(b) To afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations, an opportunity to fill their legitimate needs.

Under those two provisions it would seem to me that if it was a matter of arranging for a little delay in order that a State or subdivision might put its finances in shape, the Administrator would be obligated to make such an arrangement.

Mr. WHITTINGTON. I have a high regard for the gentleman's views as a member of the Committee on Appropriations, and also the views of the gentleman from Texas [Mr. MAHON] as a member of the Committee on Appropriations. The war is not over. This property has not been declared surplus, but before any agency in the Department of Agriculture or elsewhere can be permitted to buy any sort of property for 10 cents or 15 cents on the dollar, it should first have justified that matter, and the Committee on Appropriations should have made an appropriation for it. In the absence of that, of course it should wait.

Mr. CASE. I agree with the gentleman that agencies should justify their requests for money. But let us get to the point that the gentleman from Texas [Mr. MAHON] raised. Is it not clear that under subsections (a) and (b) of section 11, the Administrator is empowered and directed to facilitate the transfer to a State or to a governmental subdivision? Is it not clear that paragraphs (a) and (b) of section 11, direct the Administrator to facilitate transfers to Government agencies?

Mr. WHITTINGTON. In as strong and clear language as the very best legal talent available to the committee was able to devise.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. CASE] has expired.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Page 31, line 5, after the period following the word "agency", strike out all to and including the period following the word "purchases" in line 7.

(By unanimous consent, Mr. SMITH of Ohio was granted permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, this strikes out, in section 9, the following words "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases."

As I have read this bill, if this language is left in it, it seems to me it will do very largely what the amendment offered by the gentleman from Texas [Mr. POAGE] attempted to do. As I understand the measure it is possible for the Department of Agriculture to acquire surplus land as a disposal agency. The Secretary of Agriculture is to be a part of the administration of this act.



Mr. RABAUT. Will the gentleman yield to me?

Mr. SMITH of Ohio. I yield.

Mr. RABAUT. Was the gentleman giving thought to the fact that it has to come before the Committee on Appropriations? They have to make a request for it before they can buy it. So that is where we can come in.

Mr. SMITH of Ohio. You say they have to make a request for this before the Appropriations Committees, under this bill?

Mr. RABAUT. They certainly have to get permission and they have to get the money some place with which to buy it, and that comes before the Appropriation Committee.

Mr. SMITH of Ohio. This bill provides that these surplus commodities can be transferred to an agency on credit. Is that not true?

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. WHITTINGTON. Permit me to say there is nothing in this language that would authorize any department to acquire land unless the Congress passed an act authorizing them to acquire it.

Mr. SMITH of Ohio. But this land is surplus property, is it not?

Mr. WHITTINGTON. Yes; but the Government cannot acquire it unless the Congress authorizes it to purchase it.

Mr. SMITH of Ohio. The Government already has the land. I am talking about land that is now owned by the Government.

Mr. WHITTINGTON. I understand that, but unless funds are appropriated by Congress and unless they are authorized to purchase that land, my thought is they cannot acquire it.

Mr. SMITH of Ohio. Unless the Department of Agriculture has the money to purchase this land, is that what you say?

Mr. WHITTINGTON. And unless they have been authorized by act of Congress to purchase it. That is what I mean to say. I do not think any department has the right to acquire any property unless the Congress authorizes it.

Mr. SMITH of Ohio. But this act provides that it can be transferred to governmental agencies. It says, "each Government agency shall make the fullest practicable use of surplus property in order to avoid unnecessary commercial purchases."

I will put my own interpretation on this. The gentleman can put his interpretation on it. It seems to me this makes it possible for the Administrator of this agency to say that the Department of Agriculture can hold this land for use.

For example, in my district the War Department acquired land for the erection of a war plant. They acquired some 12,000 acres. They did not use much of this land. The land that was not put to use for war purposes has been rented out to farmers, in some instances in tracts of several hundred acres. We believe that land should be sold, and if possible, sold to the people from whom it was

purchased by the War Department. I grant you it is possible to so construe this language as to make this possible, but I say it can be otherwise construed.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Not just now. Let us take the surplus commodities which were discussed a moment ago for soil conservation. What would prevent the Department of Agriculture from acquiring those goods and using them to prevent or avoid unnecessary Government purchases? I do not see anything under this act that would make that impossible at all. You can place your interpretation on this if you want to, but that is my view of the matter. Especially now when governmental agencies are doing everything within their power to acquire more control and power, we should do everything to avoid encouraging them in that process. We should do everything within our power to prevent them from doing that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

The reason this provision was in this section is that we will have an enormous amount of surplus on hand when the war is over and there is no need for the Appropriations Committee to authorize an agency to purchase desks, for instance, and then have to go out in competition with other people and buy those desks. In other words, the Treasury is protected. The Congress must have made funds available for the purchase of this surplus before the Department can buy it. It will save the taxpayers an enormous amount of money if this provision remains in the bill.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. SMITH of Ohio. Using the Department of Agriculture as an illustration, I do not see that the Department of Agriculture purchases anything in taking over these commodities. Of course, if it has got to account for the funds received for these commodities—

Mr. MANASCO. Yes; it must.

Mr. SMITH of Ohio. But I do not see what would prevent the Department of Agriculture from using these commodities until it actually did sell them. That is my point.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. NORRELL. If I understood the gentleman correctly, the War Department now owns most of the land, if not all, that has been purchased during the emergency.

Mr. MANASCO. That is correct.

Mr. NORRELL. Before the Department of Agriculture could take any of that land would it not be necessary that we pass an authorization bill first, and second pass an appropriation bill before the land could actually be taken?

Mr. MANASCO. That is correct.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since the gentleman from Ohio saw fit to bring my name into

this discussion and suggest he was offering an amendment to do what my amendment intended, I want to call the attention of this Committee to the fact that this amendment neither does what my amendment intended to do nor what I think should be done. What my amendment intended to do was to put to use property that the Government owns, to have it actually used rather than have it sit around and rust. The gentleman from Ohio proposes to strike out from bill the language that expresses the pious hope that that will be done. All my amendment did was to say that they should carry out what this language proposed, but he strikes out even the wish. The bill as now written does not do anything but express a wish that this property will be used by the governmental agency without providing any practicable method of making this possible. The amendment I proposed provides a practicable method of carrying out that hope and of actually using this equipment. Now the gentleman from Ohio comes along and says he does not even want to wish that it will be used, that he does not even want to hope that it will be used, that he simply wants to strike a pious platitude out of the bill so there will not even be any hope. He wants to establish the policy that would apply on a farm if the farmer who has some livestock and some corn and hay, should sell his corn and hay at a low price now in the middle of summer proposing to go into the market and buy it back again in the winter at a higher price. I think that farmer should feed his own corn if he is able to hold it and the Government to use this surplus equipment. The Committee is willing to wish. The gentleman from Ohio would strike out even the wish itself.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. WHITE. Is it not a fact that after the last war Congress directed that surplus explosives be turned over to the Department of Agriculture for use in road making and for the benefit of the farmers?

Mr. POAGE. I do not know of my own knowledge, but if the gentleman says that was done, I am sure it was.

Mr. WHITE. I will tell the gentleman that I purchased three consignments of powder that was donated to the farmers by the Congress.

Mr. POAGE. I do not question it; I just do not know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 29, line 25, add another subsection (e) and insert the following: "The Administrator and each owning agency shall give first priority for purchase on not to exceed one-half of all surplus dirt-moving machinery and equipment to conservation districts such equipment to be used exclusively for the improvement and conservation of soil and water."



Mr. MANASCO. Mr. Chairman, I make a point of order against the amendment on the ground that we have passed the section to which the amendment applies.

Mr. JENSEN. Then, Mr. Chairman, I ask unanimous consent that we return to section 7 for the purpose of offering an amendment.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to return to section 7 for the purpose of offering an amendment. Is there objection?

Mr. MANASCO. I object, because we returned to that once and we want to finish this bill this week if we can.

Mr. JENSEN. Mr. Chairman, I would have offered this amendment earlier but I call attention to the fact that the reading of the bill was very rapid and I did not have a chance; I did not have the opportunity.

The CHAIRMAN. The gentleman can return to a former section only with the unanimous consent of the Committee and the Committee has not given it.

Mr. JENSEN. Then, Mr. Chairman, I plead with the chairman of the committee to let this amendment be considered. It is an important amendment.

Mr. MANASCO. I do not like to be arbitrary but a lot of the Members want to go home.

Mr. JENSEN. Oh, yes; a lot of Members want to go home! We are legislating here on a very important matter.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. What course can I take now to get this amendment before the House? I am throwing myself on the mercy of the Chair.

The CHAIRMAN. The gentleman has asked unanimous consent to return to the section; the Committee has declined to grant it. The Chair does not know what further the gentleman can do.

Mr. CASE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE. Is it not possible for this amendment to be offered by the gentleman from Iowa to the pending section?

The CHAIRMAN. That remains to be seen.

Mr. POAGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POAGE. The gentleman from Iowa was on his feet a little while ago and stated that he wished to offer an amendment at that time.

Mr. WICKERSHAM. And was given permission.

Mr. JENSEN. Mr. Chairman, I offer this amendment to section 11.

Mr. WHITTINGTON. Mr. Chairman, with all due deference, we have not read section 11.

The CHAIRMAN. The gentleman should wait until section 11 is read.

Mr. JENSEN. Then, Mr. Chairman, I ask that the amendment be considered at the present time.

Mr. WHITTINGTON. May we have the amendment read to see if it ought to be considered?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 29, line 25, add another subsection—

Mr. WHITTINGTON. Mr. Chairman, that has been objected to. The amendment is not in order.

The CHAIRMAN. The gentleman from Mississippi just asked that the amendment be reported.

Mr. WHITTINGTON. I beg the Chair's pardon, but the reading has proceeded far enough to show that it was the same amendment that was objected to.

The Clerk read as follows:

#### METHODS OF DISPOSITION

SEC. 10. (a) Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions, as the agency deems proper.

(b) Whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property.

(c) The Administrator, by regulations, shall prescribe such policies governing prices and other terms and conditions of dispositions under the authority of subsections (a) and (b) of this section, as he deems necessary to effectuate the objectives and policies of this act.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this act shall be conclusive evidence of compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers for value is concerned.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 32, after line 6, insert the following:

"Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase, or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, may be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to the public schools and educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budget are planned to support normal procurement operations, according to past experience, in the regular market."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not germane to this point of the bill.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. I should like to hear anything the gentleman from New York may be able to submit in support of his point of order which I think is totally without basis.

Mr. TABER. This is a section that relates to methods of disposition. The amendment just offered is an amendment providing for disposition.

Mr. TARVER. Mr. Chairman, the subsection of section 10 to which this amendment is proposed as an addition deals—

The CHAIRMAN. The Chair is ready to rule. The Chair thinks the amendment is germane and, therefore, overrules the point of order.

Mr. TARVER. Mr. Chairman, I wish to ask the indulgence of the Committee to proceed for 5 additional minutes and I make that unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

Mr. TARVER. Mr. Chairman, I realize that the day is far spent and that the membership of the Committee is tired, and that it is exceedingly difficult to secure careful consideration of a subject matter of this type under these circumstances, but I believe that the amendment is one of very great importance and I therefore respectfully ask the attention of the Committee while I undertake to present it.

I discussed this amendment on Wednesday of the present week under general debate and gentlemen who are interested may find the text of the amendment printed on page 7106 of the CONGRESSIONAL RECORD of last Wednesday. They will also find at the conclusion of my remarks on that date, the insertion of certain documents representing expressions of opinions of the National Educational Association, of a conference of State educational officials held in Washington on March 3, 1944, and of other educational authorities with reference to this particular subject matter. I do not desire to repeat the argument which I undertook to advance on Wednesday.

Mr. Chairman, I do wish to point out that this amendment is distinguished from the amendment offered by the gentleman from Texas [Mr. POAGE] relating to the lending of certain equipment to soil-conservation districts. This amendment is not mandatory in character. It is permissive only. It proposes to permit the Administrator of Surplus Property when he arrives at the point in the discharge of his duties when he could sell at a price that is offered him on certain property and equipment which could be used by the schools or educational institutions of the United States, and perhaps sell it to speculators at a price representing far less than its



market value, to consider whether or not the public interest would be best served by the donation of that property to the public schools or educational institutions upon the basis of need or in order to replace equipment which has been worn out or is deteriorated in the various war training programs carried on by those schools or institutions during this period of emergency.

It seems to me there should be no reasonable objection to vesting in him that type of discretion. I have listened with interest to the arguments advanced by gentlemen in favor of realizing every last dollar's worth of value out of this more than \$100,000,000,000 of surplus property which is to be disposed of. I believe that the utmost value which can be secured for the American people ought to be obtained for this property, but I do not think that value is necessarily represented by dollars. I believe that if the Administrator in the discharge of his duties comes to a point where he feels he must dispose perhaps of 10,000 typewriters or some machinery that could be used in vocational education in schools, or a lot of desks that have been used in various types of war training, or perhaps busses that could be used in the transportation of school children in rural school districts where the busses have been worn out during the war, when he is offered for those types of matériel a price that is not a satisfactory price by somebody who in private business wants to profiteer on those articles or those supplies, perhaps reselling them later at a tremendous profit, he ought to be vested with the discretion to say that under the circumstances the best interests of the country and of the people would be served and the greatest value would be received by the people of the country "If I permit this property, which is suitable for educational purposes, to go to the public schools and educational institutions rather than to be sacrificed in this way."

Mr. GOSSETT, Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas.

Mr. GOSSETT. I may say to the distinguished gentleman from Georgia that the gentleman from West Virginia [Mr. RANDOLPH] and myself offered a very similar amendment before the committee. We were and are very much in sympathy with the purposes and objectives of the gentleman's proposed amendment. It has seemed to me that this is the best and safest way to offer Federal aid to education and, while the majority of the committee refused to accept such an amendment, I propose to support the gentleman's amendment.

Mr. TARVER. I thank the gentleman. I have talked with several members of the committee about this matter and some of them entertain the opinion that the Administrator already has this discretion. I do not think he has. I read in this subsection (b) the authority to donate property only when the property is worthless or the expense of handling and disposition would be greater than the amount of proceeds received from it. Some of the members

of the committee believe he can sell this property to schools and educational institutions at a nominal price, but I do not think an honest administrator would do that in the absence of an amendment such as I propose. Where he is required by the terms of the bill to sell property for fair value, I do not think he would sell property costing perhaps a thousand dollars for a dollar and then claim that he had complied with the instructions given him by the Congress of the United States in the enactment of this law, unless you put some amendment of this type in the bill which will expressly authorize him to exercise such discretion.

Mr. POULSON. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. POULSON. Is it not true that schools throughout the country have been offering facilities for the education and instruction of war workers and that in reality we are giving them an opportunity to buy these things which we have purchased for that purpose and which they have worn out of their own? We are just simply playing fair with them, is that not so?

Mr. TARVER. This is only the payment of a debt. They have worn out a tremendous amount of their equipment in vocational schools. We are giving the Administrator the discretion in instances where he feels it is justified to replace that type of equipment and, in addition, to make some contribution of similar equipment to schools on the basis of need.

Mr. BARDEN. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. BARDEN. I would like to ask the gentleman's explanation of this term: "to the public schools and educational institutions." The gentleman does not mean for that language to be construed to cut out private schools, does he, because we have many schools, or what might be described as private schools, engaged in identically the same work on a nonprofit basis as the public schools.

Mr. TARVER. The language would have to be construed in connection with the language already contained in the committee bill which immediately precedes it and which makes specific reference to nonprofit educational institutions. However, I want to say to the gentleman that while I think donations of equipment and machinery to replace that which has been worn out in one of the war training programs in a private institution is thoroughly justified, yet I do not think that donations of such machinery or equipment where that justification does not exist, and purely upon the basis of need unrelated to the wearing out of machinery in the war program, is justified.

Mr. BARDEN. The gentleman does not intend to exclude any schools by this language?

Mr. TARVER. No; that is not my purpose. As a matter of fact, I may say to the gentleman that I would have much preferred to have made this proviso man-

datory instead of discretionary, but in view of the apparent viewpoint of the House in regard to similar subject matters that have been discussed I have drafted the amendment in discretionary form in the hope that this which I regard as a minimum provision might receive approval.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WICKERSHAM. By the adoption of the gentleman's amendment it will also aid the schools in giving the proper education to the returning servicemen, will it not?

Mr. TARVER. Absolutely.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that the gentleman be given 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MAHON. May I say to the gentleman that I shall support his amendment. I have prepared an amendment along the same line, which I shall not offer in view of the fact it has already been offered, but I do trust that the gentleman's amendment will be adopted.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. JENKINS. I have read the gentleman's amendment, and it strikes me that there is no room for any favoritism of any kind, sectionally or politically.

Mr. TARVER. Absolutely none.

Mr. JENKINS. It is a straight-out proposition to transfer this machinery to the Department of Education.

Mr. TARVER. Yes.

Mr. JENKINS. As I understand it, any discretion given in this amendment is given to the head of the Office of Education.

Mr. TARVER. That is true. May I say further that there is also involved here \$41,000,000 worth of school buildings which have been built under the provisions of the Lanham Act. I placed a list of those more than 300 school buildings in the CONGRESSIONAL RECORD, pages 7110, 7111, and 7112. Those school buildings would result in little to the Government if they should be dismantled and sold for junk. They have been built because they were needed in the communities or localities where they are being utilized for school purpose. Title to them is absolutely in the Federal Government. I think that somebody ought to have the discretion of permitting the integration of those school buildings into the local school system in the localities where they are located. There is not a single one of those buildings in my congressional district. My position with reference to that subject matter is entirely unselfish, but I certainly believe that the Administrator or somebody ought to have authority to at least consider permitting the integration of those buildings into



the local school systems rather than to have them dismantled and sold for junk.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. ALLEN of Louisiana. May I ask the gentleman if the allocation of the individual school will be made directly by the Office of Education in Washington, or will you work through the State department of education?

Mr. TARVER. The matter would be handled by the States exactly as is the vocational-education program.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. RABAUT. Who would buy the school building except the school board?

Mr. TARVER. Nobody.

Mr. RABAUT. The Administrator has the right to sell the school building, and there is no rule set on the Administrator except to get a price. If he could not sell it to anybody else, under this bill he could sell it to a school board for a dollar, could he not?

Mr. TARVER. I do not think an honest Administrator would undertake to sell a building that cost \$200,000, which many of these buildings did cost, for a dollar. Congress is asked to say they cannot give anything away unless it is worthless. The question is, Do you want the Administrator to junk it, or do you want to give the school district an opportunity to secure it? My amendment provides that he cannot give it to a school district unless such school district is able to justify the donation on the basis of need, comparing its revenues with its normal requirements. I regret I have no further time, but I certainly hope that the amendment will be adopted.

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

Mr. ROHRBOUGH. I object.

Mr. WALTER. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. WALTER as a substitute for the amendment offered by Mr. TARVER: On page 32, after line 6, insert the following:

"Surplus property that is appropriate for educational use as determined on the basis of need, represented by property requirements in excess of normal ability to purchase; or which may be needed to replace equipment worn out or deteriorated because of use in war-training programs, shall be transferred to the United States Office of Education for allocation, within rules and regulations to be prescribed by the United States Commissioner of Education, and approved by the Administrator, to schools and educational institutions: *Provided*, That such schools and institutions, to establish eligibility to receive such surplus property and materials, show evidence that their respective budgets are planned to support normal procurement operations, according to past experience, in the regular market: *And provided further*, That transfer upon the basis of need shall only be made to public schools and public educational institutions."

Mr. WALTER. Mr. Chairman, the difference between this amendment and the one offered by the gentleman from Georgia is that under the substitute the transfer is made mandatory and not discretionary.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we are coming to a showdown in America as to what our attitude shall be toward the Federal Treasury. It is mighty important that we turn back this tide that is sweeping in from the communities upon a busted Treasury, and do it now. These communities, these States, these institutions are better able to pay for the things they require than is the Federal Treasury, and we are coming to a showdown on this thing. After all every bit of money which gets to Washington has to come from the people.

One of the things that has gotten us into difficulty in America has been that when our communities have had the challenge of necessity to do something, we have put a bunch of people on the train and sent them up here to get some money from Uncle Sam. Every dollar that has gone out of the Federal Treasury has gone back to our States loaded down with Federal power.

Here we have these billions of surplus properties, out of which we have an opportunity to realize some money. These properties belong to all the people of the Nation. What right have we to authorize somebody charged with the responsibility of selling this equipment to sit in judgment as between all the communities of this country and say, "Well, A needs it and B does not need it so I am giving it to A. This idea of getting something from Uncle Sam for nothing is mighty bad. It is not something for the Congress to encourage. The Federal Treasury needs every dollar it legitimately can get for this property. It is not something to be scrambled for, but something to be bought. If these buildings and equipment cannot be sold for more than 10 percent of their value as is repeatedly stated that is no reason why they should be given away to those who have the good fortune to be able to buy them at 10 cents on the dollar of value.

We know the Federal Treasury needs every single dollar it can get. It is going to require every dollar we can get and the greatest ingenuity and the highest order of statesmanship in this country to be able to pay these bonds for which our boys subscribed when they were fighting on the battlefields of the world and other patriotic people—pay them in dollars comparable in buying power to the dollar we now have.

With this idea of coming up here and getting something, all these communities are "poor mouth," talking about their being unable to pay for the educational institutions in which their children are educated. I got most of my elaborate education in a one-room country schoolhouse. We did not know anything about the Federal Treasury then. When the folks needed something more, they came in and cut down some more logs and

built another room. They strengthened their muscles and their brains and their patriotism and their self-respect and built up a sturdy American citizenship, which, in my humble judgment, we are weakening by the process of coming up here and getting everything from the Treasury.

We have to draw the line. We cannot impose a general policy of protecting the Treasury against raids by others and insist on a violation of that policy when we want something for nothing for our good cause. We have to stand on the principle of keeping away from the Federal Treasury for these things which belong in the responsibility of the various communities.

I hesitate to make this talk, but I have given the best thought of which I am capable to an examination of what are the perils of America, and I tell you, my countrymen, one of the greatest perils of America is the loss of the self-respect, the self-confidence, and the courage of the people of the communities and the States. In this coming up here to the Federal Government, you cannot get a dollar from the Federal Treasury unless that dollar goes back loaded with Federal power. Talk about bureaucracy, that is how we are building up bureaucracy in this country, as we are not doing it in any other way.

Mr. ROHRBOUGH. Mr. Chairman, I move to strike out the last word in order to speak in support of this amendment.

Mr. Chairman, it has not been so very long ago since we heard, "Give us the tools and we will do the job." That statement was made by the then and the now First Minister of His Majesty the King of England. That seemed to be a good idea. We decided we would give the tools and see if the job could be done. We set to work to make the tools, although a good many of us were skeptical that once the tools were furnished we would have to furnish also the men to use them. But we set to work to make the tools. In our enthusiasm we made more tools than we actually needed. Then, too, it was not so very long until we found that we were called upon to furnish the personnel to handle the tools.

We equipped an army, a large army. We equipped it well. We trained it so that it is the mightiest army that ever trod the earth, and it is doing a great job. It is completing the work for which it was created. But in equipping it we created more matériel, more tools, more goods of various kinds than we had any use for. Now the question is, What shall we do with this surplus?

Pretty soon our boys and girls are coming home. They have been out of school for 3 or 4 years. Many of them will need retraining and many will want to take up again their interrupted education. The schools are going to need strong support if they are to be ready to take care of them. We have an abundance of material on hand. If we put it on the market we will disorganize the market, we will destroy the market. We must not do that. If we store the material it will depreciate. We must take care of the educational needs of our



soldiers, our sailors, our marines, and our Air Forces when they come back. What better use could be made of this material and equipment than to use it to equip thoroughly our schools, our colleges, and our universities for training returning veterans? These institutions are saying, "Give us the tools and we will finish the job." Shall we refuse to do for our own what we have done so many times for others?

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. ROHRBOUGH. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman knows that under what was termed the G. I. bill the Government of the United States provided very liberally for payment to the institutions who are going to educate our men and women in the service. If we can pay them the tuition so they can educate those in the armed forces, why cannot they, in securing their legitimate needs, pay for the surplus property the Government has?

Mr. ROHRBOUGH. Largely because in training our Army we had to go to the schools, the colleges, and universities in order to get that training. They used their equipment and their material 24 hours a day, and that equipment and material has greatly depreciated. It is ready for the junk heap, a very great deal of it, and it seems to me that that should be replaced by the Government in some way.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ROHRBOUGH. I yield to the gentleman from California.

Mr. VOORHIS of California. Further, is it not true that the G. I. bill itself will give the schools of this Nation one of the greatest jobs of education that has ever been given to them in all the history of our country?

Mr. ROHRBOUGH. Exactly. I said a moment ago that a great job awaits our schools and universities, and they need to be thoroughly equipped. They are not able to equip themselves.

This war is being won largely by reason of the initiative and aptitude of American youth. It is a mechanical war. The young men and women of our Nation, trained from childhood in the use of the machine, and trained likewise to think for themselves, learned quickly how to do the job to be done. Much credit for our military success must be given to our schools. The schoolrooms and athletic fields of yesterday made possible in a large measure the brilliant achievements on the battle fronts of today. And yet, war has made us realize how much more our educational system could have done had it been given the opportunity. In facing the future, let us not again make that mistake, but on the other hand, let us realize thoroughly that education and training are the best and most permanent things we can provide for those who must soon carry on in our stead.

Our schools and colleges have performed a great service in this crisis. However, they show the results of sacrifice. We see them now, not only with a depleted teaching force, coupled with

a wage scale that does not provide an incentive for securing our best talent, but as I have said, we see them with equipment, materials and supplies sadly depreciated by reason of their war work. Wear and tear on plant and equipment in some instances was multiplied many times that of normal usage. Replacements have not been possible. There has been a great lag in school revenue, which is based largely upon real estate. If both the funds and materials were available, it would require a large outlay over a period of several years to restore our schools to a status equivalent to that of 1941.

Regardless of all that, we are expecting our schools to assume even greater burdens during the years immediately to follow. In addition to the regular load—which will be more after the war than before—we have added the great program of training and rehabilitating our veterans. True, funds are being provided by the Federal Government for that program, but those funds will not serve to repair, replace, and provide plant equipment and buildings. To be effective, the educational field will have to be broadened and made more universal. The training of tomorrow necessarily must vary greatly from the training of yesterday.

We are in a position to aid our schools in this great task, and to do it now. In doing so, we can avoid both waste and additional expense. We have, or shall have soon, surplus war products to the extent of many billions of dollars, much of which consists of equipment and supplies that can be utilized readily by our schools. It is not a question of giving such surpluses to them. Both the surpluses and the schools belong to the people. The taxpayers purchased both. The schools must have eventually the equipment. When had, the taxpayers must pay for it.

Under the bill now being considered it is contemplated that these gigantic surpluses be disposed of within 3 years after the cessation of hostilities. How may that be done with economy and without demoralizing our domestic economy? We know that if we are ever to pay the gigantic debt we have incurred, and at the same time pay operating expenses, we must maintain a high level of production and income. If we destroy this surplus property, we lose the value of it. If we sell it at home, no matter how carefully the selling may be managed, there is certain to be great loss, considerable profiteering, and a marked effect upon our national economy, including resultant unemployment. Any loss in such sale, and loss there must be, falls back upon the taxpayers.

Shall we give it to other nations in order to produce and purchase again for our own institutions? To me, that does not make sense. Shall we lend-lease it, and then be repaid, if payment be made, in terms of things, which may not be of as much utility as those now at hand, and which will compete with the products of our own industries? In my humble judgment, no property which can be used profitably by our schools should be disposed of by lend-lease agreements.

Why not provide our schools with a sufficiency of such surplus equipment and materials to make of our educational system what it ought to be, namely, the true bulwark and backbone of American democracy, distributing the same upon a basis of need and utilization through our national Office of Education and the various State educational departments? To me, that seems like good sense and true economy.

What valid argument can be offered in opposition to that arrangement? Most certainly we know the value of education. We know that education must precede any reform. We cannot hope for world-wide understanding and permanent peace if we neglect education. If we keep pace with progress we must have education; in fact, without education we shall have no progress. We cannot expect to achieve and maintain a high level of peacetime productivity and income without education. Bear in mind that I am not speaking merely of book learning, although that has its proper place; but I am thinking of the training of both mind and hand, and, above all, of training to think.

If such distribution of surpluses to our schools be made on a basis of need, over and above ordinary and regular expenditures, business would be deprived of no market. On the other hand, a larger future market would be created, and the present market benefited by that much less competition. It would stimulate employment in the educational field, aid in providing better trained employees for all businesses, and assist in training men and women for the establishment of new enterprises. There must be new horizons and new enterprises if the employment problem is to be solved. Most certainly such surplus could not be used for a more socially desirable purpose. Last, but by no means least, the taxpayer—who will be the man in the front-line trenches of tomorrow—will be afforded some relief.

I commend heartily the plan suggested and outlined by Mr. R. B. Marston, which appears in the RECORD of August 16, and urge the adoption of the pending amendment.

May I now depart briefly from a direct discussion of the amendment in question? I have not troubled this House much with speech making, as you know, but there are some observations I feel constrained to make at this time. During my brief period of service in this House, I have endeavored to study the legislation proposed from time to time, and to do my part as a member of the committees on which I have the honor to serve. I have attended with vigilance the meetings of this body, and given diligent attention to its debates. I have expressed by judgment through my vote on practically all legislation considered. I have dodged no roll calls.

I have endeavored to determine my voting by what, in my humble judgment, was for the best interests of our country. I have supported all legislation designed to speed the winning of the war, although in some instances I have had to accept things distasteful to me. I



have voted consistently to reduce the Federal pay roll, to reduce the regular expenses of government, and to eliminate unnecessary waste in war expenditures. I realize that war creates waste. It is unavoidable. However, I fear that peace may find us unfitted to practice economy. By some that is considered an old-fashioned word. Whether old-fashioned or not, we have no better word. There is danger that we have forgotten the consequences of waste. We have talked about billions until millions mean but little to us any more.

Until the debate on this bill I have heard but little said about the great debt that will burden the shoulders of our people for many generations, and on which the interest charges amount to billions of dollars each year. Now, the opponents of this amendment say that we must sell these surpluses and apply the proceeds upon that debt; that we must not give away any of it that has a market value. I challenge the statement that aiding the schools is a gift. We may dilly-dally about equipping our schools, but sooner or later we must, and will, do so, and the taxpayers will pay the bill. They will spend \$10 for the task then that \$1 of surplus equipment will do now, and lose the benefit of the training that might have been had in the meantime. If we could really sell for cash at a fair value, without doing more harm than good, that would be fine. I want to see this great debt reduced. But if we sell to any department of our Government, or to any purchaser that must depend upon taxes wherewith to pay, where is the benefit? The taxpayer pays the bill, plus all the cost of storage, red tape, and administration. If we sell to dealers then we open the road for profiteering. If we dump all this surplus on the market, what happens to our production, to our employment, and to our national income? We acquire some money to apply on the debt; that is true. We pay out more money in unemployment benefits, collect less in taxes, disrupt business, and help to create a few millionaires. In the meantime, our schools suffer and wait. As a consequence the road is paved for further and continued emergencies.

What will be the cost of caring for those who fought this war? We do not know, but we do know that it will require more billions each year. That expense must be met. We could not be self-respecting and do otherwise. I have supported all forward-looking legislation for the benefit of veterans and members of the armed forces, and have done so gladly, but I have done it with the realization that the account will have to be paid, and that it will require taxes to pay it.

What of the great expense incident to social security and unemployment, which must be met by our Federal and State Governments? It must be paid through taxes, whatever the source of payment. We know that such will require more billions, even when we consider figures that appeal to common sense and reason, and pass by the seductive reasoning of political opportunists and the dreamer ideas of would-be utopians.

It occurs to me that it is time to think and speak of economy. It is also time to practice it. We can put it into practice by adopting the pending amendment—by utilizing that which we have without waste.

I have supported simplification of the collection of taxes. I hope to see before long a drastic reduction in taxes. However, it seems idle to talk about reduction in taxes unless the productive capacity of our Nation is kept at a high flow. We cannot go on borrowing indefinitely. We know that our present war-created prosperity cannot continue beyond the war. Legislation may aid in bringing about or making possible prosperity, but it cannot create it, nor will Executive orders or edicts do so. We cannot hoist ourselves by our own boot straps. To keep America on an even keel, so that it may fill its proper place in the world, will require united effort on the part of its people, as well as wisdom and sane leadership on the part of its leaders. There will be no place for factional strife. There will be no easy way. It will require toil, and sweat, and sacrifice, and economy. It will require faith and the will to win. It will require straight thinking. In all of that, education must play of necessity a vital role.

Yes, in many respects the task of readjusting our Nation to the life and problems of tomorrow presents a greater problem than that of the war itself. Practically our entire economic life must be shifted. We must turn from the sword to the plowshare. While the maintenance of a strong Army, Navy, and Air Force—which we certainly will be wise enough to do—will aid in solving the question of unemployment, yet we must find places for millions of workers. We must lift our eyes to wider horizons. We must create new enterprises. We must think things through. To do that requires training and education.

What of the peace to follow? We know now that we shall win this war, though at a tremendous cost. Whether the sacrifice made shall have been in vain will depend upon how we now set the stage for the next act. Shall we make of this war the war to end wars? That is the prayer of every true American. That is the comfort of those who wait in vain for loved ones to return. That is the hope of mothers who now look upon their little children at play. That, I believe, is the determination of those who shall return from this carnage, as well as of those who labored in the second line of defense.

I have stood for international cooperation to preserve peace without surrender of any rights we are fighting for today. I shall continue to do so, believing as I do that such is the thought and prayer of the American people today. However, I realize that if there is to be a permanent peace, much will depend upon the United States. The world looks to it for leadership and cooperation. That cannot be provided by any Santa Claus attitude, nor, on the other hand, if motivated by any spirit of greed. We do not wish or need to boss the world. It is not our job to support the world. A good neighbor is one who takes care of his own house-

hold, cooperates with his neighbor in those things to their mutual interest and benefit, lends him a helping hand in distress, receives help in turn when needed, and yet keeps his nose out of what is the private business of the other. Such neighbors get along together. Our Nation can do likewise, under the right sort of leadership, without ruining our own economy or detracting from our own freedom, and in such a manner as to gain the respect and cooperation of the other civilized nations of the world.

That goal cannot be reached without education. Let us take a step in the right direction by supporting the pending amendment.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, reserving the last 5 minutes for members of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona.

Mr. MURDOCK. The gentleman who just preceded me, quoting a great leader of the times said, "Give us the tools and we will complete the job." He had reference to a military task. But I am thinking now of another job. The teachers of America, with the educational leaders of this country, could say that same thing: "Give us the tools and we will do the job." This means the proper and adequate training of our citizens. The schools, the public schools and colleges of our country have never had the tools requisite to do the job as thoroughly as it should be done. Here is a chance to put in their hands those tools. I am in support of the amendment, both of these amendments, particularly the amendment of the gentleman from Pennsylvania, because its provisions are mandatory. Some are broader, but they are mandatory.

There is a vast difference between this provision and the proposal offered by the gentleman from Texas. His proposal had reference to a governmental agency for which Congress provides money through appropriations. Congress makes no appropriations to the public schools and colleges of the country. There is a vast difference in the two cases.

As a school man of wide experience, I have been a teacher of a one-room country school almost of the type described by the gentleman from Texas [Mr. SUMNERS]. Yes, I take my hat off to the work done by those schools in these days, but I do not advocate a return to them. I also attended such in the beginning when I was young. But times have changed and schools have necessarily changed, but even so, our schools have not been equipped sufficiently with laboratories and scientific apparatus requisite to do the job in this scientific day in so many of our schools.

Someone wrote in a magazine of wide circulation recently to the classroom teachers, and it was a very offensive article, "Can you teach the G. I. way?" A



school teacher friend of mine making reply said, "Give us the facilities the Army is now using in their training and we can teach the G. I. way." He is exactly right about that. Why have we had to be so lavish in providing laboratory equipment for training in this war program, and why devote so much effort to it? Because we were not equally provident at an earlier time to give to our schools that adequate equipment for training. If we had done so years before the war we would not have been required to do so much of it at the present time during the war. I do earnestly hope that the amendment will be adopted.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I am very glad to yield.

Mr. ALLEN of Louisiana. It is well to point out that these men coming back from the services must make application within 2 years, and during that time we will not be able to manufacture enough stuff for these boys unless we give them this material.

Mr. MURDOCK. Yes; I thank the gentleman. There are two things I want to emphasize. We have passed the G. I. bill of rights which provides for an elaborate program of education. This proposal can be fitted in with that provision and not only that, but the schools have already been called on to do a great share of the war training. The gentleman from New York the other day read a long list of colleges in this country giving training for the War and Navy Departments. They have worn-out equipment. They ought to have that replaced. This amendment provides an opportunity to do so. Not only that, but this amendment provides that we can further this education which the G. I. bill of rights promises to our returning veterans.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JENKINS. I dare say if the Government paid for the actual wear and tear on the instrumentalities of the schools, that the cost would amount to more than what they could sell these goods for.

Mr. MURDOCK. Exactly so. Mr. Chairman, as I see it, this vast store of property has already been paid for by the American taxpayers. I want to have the taxpayers get value received on the investment. I have gone along with this bill. I have been willing to give the Administrator vast power and wide discretion. I trust him. Yet I fear that if you do not adopt this amendment, the best any administrator can do under this measure is to let the Office of Education have a chance to buy a typewriter or two and possibly a few other pieces of office equipment for use here in Washington.

I hope he will be the right kind of man in his values and his judgments. Whether he be Will Clayton or whoever he may be, he has a greater job of an economic nature than has ever been borne by human shoulders.

Certainly in disposing of this vast store of goods I want it done with dispatch and with fairness to the present owners. Let consumptive goods be disposed of for resale in such a manner as to prevent speculation and to return to the Treasury every dollar which can be obtained. Of course, this should be done in such a way as not to harm our economy.

But this is different in the case of educational material suitable now for nothing else but which could not and would not be ordered as new goods. This school equipment, which would not sell for 10 cents on the dollar yet which is badly needed, will return more than 100 cents on the dollar to the public and to the taxpayers in the proper use of it by our schools.

Mr. RABAUT. To whom is the Government going to sell this school equipment except the schools? Why give it to them? When you admit it will be sold for so little on the dollar, let them buy it. You are passing a bill here to recapture funds for the Government. Let the schools buy the equipment if they want it, just the same as any other agency of the Government. The gentleman is making a very popular appeal, but it is not consistent with the purposes of this bill we are considering at the present time.

Mr. MURDOCK. Recapturing money for the Treasury in the forced sale of this type of goods is like trying to recapture all the rain from a cloud in a sieve. If you call it saving this way, it is like saving at the spigot and wasting at the bung.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. MURDOCK asked and was given permission to revise and extend his own remarks.)

Mr. MORRISON of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during my quite long public career, I think a little action that I took when I was in the other branch of Congress has worried me more than anything else. One of the very first things I did there was to get a bill passed at the instigation of a lot of boomers from the city of Asheville in my State wherein we gave to the city of Asheville a piece of Government property now the most valuable piece of property, foot for foot, in the State of North Carolina. Why? Because the boomers told me the Government never sold anything, that it did not sell its real estate but gave it away. And I helped to give it away. Today that property is the most valuable piece of property in that city or probably any other city in my State, foot for foot. I know the noble objectives for which this amendment is offered. Everybody who has any sense of spiritual life whatever is for education. I have fought all my life down in North Carolina for education and have the distinction, I believe, of having caused the State to spend more money for education than any other State of like population within the same period of time. But it is the manner in which we are to make this educational appropriation, in a disorderly way, demoralizingly

and indirectly, and setting a precedent, that will make all the property of the United States well-nigh worthless to it. We do not want to give it away if it has any value. The gentlemen who want to give the property to the communities would not want to do so unless it had some value. The whole thing is based on an absurdity, that we must give the schools of this country real estate, houses, schoolhouse equipment, and so on, because it has no value. If they want it, if they can use it, then it has value and it is logically absurd to contend that it has not.

I dare say that we could find in the United States already some of the property that recently belonged to the National Youth Administration which was given away, and the very people it was given to are now trying to sell it and get money for it. I know one institution in which they are doing it, and they have been offered quite a fine price for it. I will not yield to any gentleman who has addressed the House in devotion to the cause of education. We talk about what the schools have done. Why, where would our institutions for higher learning in this Republic have been in these perilous days if it had not been for the benefits they gave them for educating their youth? We always can provide benefits to educational organizations and interests of the country. I hope we will keep on doing it. But this Government ought to look to its policy. We ought to make appropriations through the regular channels after consideration by the appropriate committees and then finally through the Appropriations Committee and add generously to every good activity in our country looking to the progressive development of it. There may not be anything in what I have in mind, but I am deeply and terribly in earnest about it.

I think this manner of disposing of the property of this country by giving it to great and noble groups who say they want it for noble and approved purposes, is financial fallacy and that it should be stopped, and forthwith. If this property will bring very little, these school districts that want it will have a good chance to make a good bargain, but this thing of our property being of no value is nonsense anyway. Everything will bring at least a fairly good price in this great, strong, powerful, and rich country of ours. All of this stuff about the property being of no value is nonsense. All of it is of value and will bring money if we will preserve it for the taxpayers of this country.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. MORRISON] has expired.

Mr. REED of New York. Mr. Chairman, I was actively interested in education before I came to Congress and I have been interested in it ever since I came to Congress.

I remember at one time when a very large element in this great body thought that those of us who believed in vocational agriculture, especially having it taught in the schools, were almost guilty of lèse-majesté. But I am proud to say



that I think I was quite largely responsible, as chairman of the Committee on Education, for putting vocational agriculture into 8,000 high schools. I am one of those who believes that the greatest wealth producing agency in the world is the school system found in every State in the Nation. One reason why our Nation stands out in its achievements in peace and in war is because we have the type of educational institutions available to all of the children of this country. I believe that it is because we have educated our young men and women in this country that our Army, under the leadership of highly educated technical men, brave men and heroic men, with the initiative which trained minds and brains have, is plowing through Europe today to ultimate and complete victory. It was said long ago that—

If we work on marble it will perish. If we work upon brass time will efface it. If we rear temples they will crumble to the dust. But if we work on men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellow men, we engrave on those tablets something which no time can efface, and which will brighten to all eternity.

I think these technical instruments so useful to our educational institutions should be placed in these institutions under a leasing proposition, the Government retaining the title, so that in the event of another conflict the Government could immediately take those instruments and again use them for military purposes until more advanced instruments could be produced. I think this should be done, because, as has been stated here, the boys are coming back by the thousands; yes, by the millions, and even now, with victory in sight, they are looking forward to the time when, with their bonds and the pay of their Government, they can return to school and finish their school or college courses.

I remember when I was coaching a college football team I saw boys who entered that college at the age of 22 years. Some of them were on the football team. They entered at that age because they had to earn enough first to get there, and then pay their tuition and board. Where are they today? They are the heads of great enterprises in this country, contributing to the war effort.

Now, what will happen to many of the technical instruments and other equipment declared as surplus unless the schools get them and have the advantage of them, especially the highly technical instruments? They will be thrown into warehouses. Shovels and plows will be thrown on top of them, and others will find their way into pawn shops and racketeering outfits, to be sold at high prices. There will be a great deal of waste. But if you loan these things to the institutions, the Government retaining title, and give our universities, colleges, and schools a chance to use them, this surplus war material will not be wasted.

I am always interested in the eloquence of the gentleman from North Carolina [Mr. MORRISON]. One of the reasons why his State stands out as one of the progressive States of this Union

is because of the wonderful educational institutions they have in that State. They produce wealth. We can produce wealth. We can produce leadership if we supply the equipment and facilities for our educational institutions. I placed a long list of the educational institutions in the CONGRESSIONAL RECORD. They were taken from the World Almanac of 1944. The list of universities, colleges, junior colleges, and normal schools does not include the many thousands of high schools.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MORRISON of North Carolina. I just wanted to thank the gentleman for the compliment to my State.

Mr. REED of New York. The gentleman standing there is proof of what I said.

Mr. MORRISON of North Carolina. But we have never received, except for the land-grant colleges, one dollar of Federal funds, to make it one of the finest educational institutions in the world.

Mr. REED of New York. You did very well on tobacco.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GIFFORD. Mr. Chairman, after that moving appeal by the gentleman from Texas, relating to the Federal Treasury, it should be said that our educational institutions have already lost to the Treasury, by the Federal Treasury taking the money away from their donors and supporters of the past. Many educational institutions are now in financial straits because the Federal Treasury has taken the money formerly depended on to finance them.

I am not speaking in favor of the amendment. I am making the statement of their side of the question. They claim that they have already been called upon to educate the soldiers in these colleges; that the Government itself has set up all kinds of schools with splendid equipment, especially valuable machine tools. They do not want a donation, but they do want a lease of these tools. Do you think that this machinery and these tools are to be readily sold according to the amendment passed yesterday, wherein they shall be advertised and must bring prices prevailing in the ordinary channels of trade? Has not the committee done enough when they have said we can donate that which is worn out, or when it cannot be handled or stored or sold at a proper price? If I were the Administrator I could easily arrange that these schools should have the use of this particular kind of equipment. Theirs has been worn out in the service of the military. They have a right to expect that we replenish it in some way. But I do think the committee must be supported as this bill does do much to remedy this situation.

I shall support the report of the committee because I think that it ought to be sufficient to help this situation to a very great degree.

Mr. MARTIN of Iowa. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MARTIN of Iowa. I would like to support the argument placed before the House by the gentleman from New York [Mr. REED]. I taught in the R. O. T. C. in one of the large universities following the last war. I know how much we needed some of this equipment and how very little of it we had an opportunity to use. I know from experience that any equipment loaned or sold to the universities and colleges will be given mighty good use by those institutions if they are given an opportunity to use them. I know that is a very fine use to make of this equipment.

Mr. GIFFORD. I think under the committee report they can lease it to those schools.

Mr. MARTIN of Iowa. I predict now that the rush of students back to the universities following this war will be so much greater than it was in 1919-20-21 that these colleges and universities will need an even larger amount of equipment than they can possibly buy in the commercial market.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. COLMER. Will the gentleman also call the attention of the House to section (b) on page 33 in which these institutions will be given an opportunity to fulfill their legitimate needs?

Mr. GIFFORD. Yes; I think the committee bill has really provided fair opportunity. I would not like to do anything to adversely affect the institutions. They have been my pride for many years. We have the Treasury to keep in mind and must not weaken.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WHITTINGTON. In addition to the advantages to schools and universities under this bill, is it not true that the generosity of the Army and Navy during this war has absolutely kept our colleges from going into bankruptcy?

Mr. GIFFORD. We must agree to that.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired; all time has expired.

The gentleman from California asks unanimous consent that the amendment be again read.

Is there objection?

There was no objection.

The Clerk again read the substitute amendment.

Mr. TARVER. Mr. Chairman, in view of the fact that this is a substitute to the amendment proposed by myself—and I believe the request was that the original amendment be read—I ask unanimous consent that the original amendment, which differs in some important respects from the substitute, be read.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I understood the gentleman from Pennsylvania [Mr. WALTER] to say that the substitute differed from the original only in that it was mandatory; and I understand from listening



to it that quite a lot of other language has been added. Am I correct?

The CHAIRMAN. The gentleman from Pennsylvania made the statement that it was different only in that it was mandatory, but since the gentleman from Georgia has asked that the original amendment be read, without objection, the Clerk will read it and then we can determine what the difference is.

Mr. TARVER. I am not, of course, in order in replying to a point of order, but I may say that there are some other differences between the substitute and the original amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk again read the Tarver amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania.

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 31, noes 69.

So the amendment was rejected.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 32, before the period in line 6, insert ", but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within such 30 days to dispose of such property otherwise than by destruction."

Mr. GOSSETT. Mr. Chairman, if the Committee will bear with me just a minute, this is a committee amendment to perfect an amendment to the same effect offered by me during our consideration of this bill. The amendment has been very carefully gone over and considered by the legislative counsel.

The entire purpose and objective of this amendment is simply to prevent the destruction of any property that might have value. I believe most of us know of instances wherein the Government has destroyed property which persons in the local communities wanted and needed. In the case of some Army camps scrap lumber has been burned that the people in the neighborhood would be very glad to have in their scrap heaps for the building of things around their homes. I am sure none of us want any property of any usable value to anybody to be destroyed.

The amendment has been gone over carefully by counsel for the Administrator and while he feels it might impose some administrative difficulties he has no serious objection to it. This is in line with the unanimous feeling of the committee that certainly no property should be destroyed until after a month's notice.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. SHORT. I call the gentleman's attention to the fact that when some of the C. C. C. camps were closed many tools, picks, shovels, saws, and hammers were publicly destroyed when some people in the local communities would have paid a reasonable price for them.

I am heartily in favor of the committee's amendment and hope it will be adopted.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Iowa.

Mr. JENSEN. Will the gentleman please explain why no penalty is provided in the amendment for such misdemeanor?

Mr. GOSSETT. There is no penalty provision anywhere in this bill other than the usual penalties of existing law.

Mr. JENSEN. Does not the gentleman believe the amendment would be really more effective if it contained a penalty clause?

Mr. GOSSETT. I may say to the gentleman from Iowa that I believe the provisions of the amendment will be scrupulously complied with.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WHITTINGTON. I may say that the committee went into the matter of penalties very carefully and decided against it.

Mr. JENSEN. But I believe it would strengthen the amendment to have a penalty clause in it.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. RABAUT. What effect would this have upon animals, sick animals, that should be disposed of? For instance, they recently had a lot of shoes that had to be destroyed because of disease germs in them. Would they have to keep those infected shoes for 30 days under the amendment?

Mr. GOSSETT. No; that is taken care of by this language:

Except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. DINGELL. Is it the gentleman's proposal to prevent the destruction of property such as occurred following the last war, namely, the destruction of airplanes in France? We burned millions of dollars worth of airplanes which might have been brought back to this country and used.

Mr. GOSSETT. The amendment is designed to prevent such action.

Mr. DINGELL. It will prevent the destruction of valuable property?

Mr. GOSSETT. Yes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman's last explanation about certain language will permit the sanctified and continued destruction of a vast footage of lumber which is now being burned. Go down here to the depot just a few miles from Alexandria and you will find that when they want to burn a carload of lumber they declare it to be a fire hazard and proceed to burn it. That has been going on all over the United States. We know that. It is an established fact.

Mr. GOSSETT. This amendment is designed to prevent that sort of thing.

Mr. CRAWFORD. But the gentleman has no language in there which, according to his explanation to the gentleman from Michigan, will prevent a continuation of the destruction of that lumber.

Mr. GOSSETT. I believe the gentleman's apprehension is unfounded. The saving clause in there is to take care of garbage, dead horses, and so forth.

Mr. CRAWFORD. Will the gentleman read again the language he quoted from the gentleman from Michigan?

Mr. GOSSETT (reading):

But, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed in the United States until 30 days after public notice of the proposed destruction thereof has been given and an attempt has been made within 30 days to dispose of such property otherwise than by destruction.

Mr. CRAWFORD. If by the very nature of the lumber it could create a fire hazard and the commanding officer in charge ordered it to be burned in order to get rid of the fire hazard, what is in the language to prevent him from doing so?

Mr. GOSSETT. I think the wise use of his authority would require him to first try to dispose of it.

Mr. CRAWFORD. The intent of the language is to prevent the destruction of lumber?

Mr. GOSSETT. Yes; and other such property.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment was agreed to.

Mr. PACE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PACE: Page 31, line 15, after "(a)", insert "(1)", and after line 22 insert:

"(2) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of or at prices less than those applicable with respect to sales of such commodity by the Commodity Credit Corporation unless such commodity is being disposed of pursuant to this act, for export at competitive world market prices."

Mr. PACE. Mr. Chairman, the Congress has provided certain support prices for agricultural commodities and further provided that for 2 years after the war many of those commodities shall be sup-



ported at not less than 90 percent of parity.

My amendment seeks to do 2 things, both of which are most important. There is an accumulation in this country today, through Government purchases, of dairy products, eggs, wool, cotton, wheat and about 40 other commodities. No one wants those commodities dumped on the American market as it would be very disastrous to the United States Treasury under these support programs and very disastrous to the farmers and to farm prices to dump those surpluses on the market after the war. The present law prevents the sale of commodities held by the Commodity Credit Corporation at less than parity and limits the amount of cotton which may be sold each month and year. This amendment will apply the same limitations and restrictions to commodities held by any and all other Government agencies and departments.

Mr. MANASCO. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Alabama.

Mr. MANASCO. May I say that this is an amendment prepared by the attorney in the Department of Agriculture at the request of our committee?

Mr. PACE. Yes. Some members of the committee asked me to study the amendment and following several conferences with them and others it has been revised.

Mr. MANASCO. There was other language in the amendment, but the committee struck that out and accepts the amendment in its present form.

Mr. PACE. I appreciate the gentleman's statement. This amendment does another very important thing. It makes available the commodities now in the hands of the Commodity Credit Corporation and other surpluses for export at competitive world market prices. Under the present law without this amendment these surpluses now held by the Commodity Credit Corporation could not be placed in the world market except at parity prices. I am sure you all realize, for example, that if foreign wheat were selling for 85 cents it would be quite difficult to sell our wheat at \$1.35 and \$1.40.

The amendment, as I stated, does two things. It prevents dumping on the American market and opens these surpluses for export to foreign markets at the world competitive market prices. I will not take more time, as I enumerated in my remarks here on Wednesday the principal commodities to which this amendment relates and the situation which will confront us and which makes this amendment necessary at this time.

Mr. H. CARL ANDERSEN. Mr. Chairman, I wish to add my support to Mr. PACE and sincerely hope his amendment will be accepted by the Committee. We cannot leave in the hands of any one man, whoever may be the Administrator of this act, the power, unintentionally perhaps, to break down the price structure of farm commodities. The gentleman from Georgia [Mr. PACE] has been a leader in the House in helping to secure and maintain a decent price structure for American agriculture. May I add these

few words of mine to his and urge the adoption of this very worth-while amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

(Mr. ROHRBOUGH asked and was given permission to revise and extend his remarks.)

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: Page 31, line 19, after the word "lease", insert "or" and in lines 19 and 20 strike out "or other disposition" and "or otherwise" and in line 20 after the word "credit", insert "or."

Mr. VORYS of Ohio. Mr. Chairman, this amendment would lock the back door for gifts just as Congress has been locking the front door today on this legislation in reference to giving away public property. We have repeatedly voted down congressional proposals to give away public property, except under the provisions of 10 (b) which provides for giving away property that has no commercial value. However, due to the present wording of section 10 (a) the Administrator can give away \$112,000,000,000 worth of stuff because under the present language he can dispose of this property by sale, exchange, lease, transfer "or other disposition" for cash, credit, other property, "or otherwise."

If you can make any old "disposition" of property for cash "or otherwise" that means you can give it away. This would create the possibility, as the bill is now worded, of a lend-lease program twice the size of all the lend-lease we have given away, of an U. N. R. R. A. program 10 times the size the Congress has authorized by law, of a W. P. A. the size of the \$10,000,000,000 W. P. A. program which the Congress has finally ended.

It may be said that Mr. Clayton does not intend to give away any of this property. If so, then changing the language so that he cannot give it away will be no hindrance in the administration of the law.

The language proposed in the amendment I have suggested does not specify the amount of payment or consideration because, as I take it, we cannot limit the discretion of the Administrator to decide upon the amount of consideration that should be received, but at least we can make perfectly clear what the committee say they intended, and that is that, by section 10 (a), we do not intend to give the Administrator or any other Government agency authority to give away property; they cannot dispose of it otherwise than by sale, exchange, lease, or transfer, which would include the renting of personal property, and we do not intend to give them the discretion to receive consideration other than cash, credit, or other property.

We are creating vast powers under this bill. Sections 11 (a) to (j) are the so-called declarations of policy sections. There is nothing compulsory about those policy statements. They are not ten commandments. They are merely ten

platitudes in which we express the pious wishes that we hope the Administrator will follow. Some of them are mutually exclusive and contradictory. He will have a hard time following them all at once. We ought to make clear one proposition, and that is that no property of value is to be given away by the Administrator for nothing, just as we have voted repeatedly today that Congress is not going to specifically authorize giving away any surplus property at this time, other than as provided by section 10 (b), for property of no commercial value.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. GOSSETT. How is the commander of an army camp, who has a great deal of surplus lumber, going to dispose of that other than to give it away? In a great many instances there will be property that cannot be sold, but which will be useful to many individuals.

Mr. VORYS of Ohio. The gentleman, in discussing his own amendment to section 10 (b) a few minutes ago, answered that question. If it is of no value, he can destroy it.

Mr. GOSSETT. If it has no value, we want to destroy it.

Mr. VORYS of Ohio. He will proceed under the amendment; if it is of no value, either to destroy it after notice, according to the gentleman's amendment just adopted, or if it is of no commercial value he has a right to give it away under section 10 (b) if anyone wants it.

Mr. GOSSETT. No.

Mr. VORYS of Ohio. May I answer the gentleman's question this way? If there is any property that any Army commander, Mr. Clayton, or any of the Federal agencies have that is of commercial value that they want to give away, if my amendment is adopted they cannot give it away without a further act of Congress. I think that is what the Congress intends. That is the way this bill was explained to us the other day. Here is a loophole that was left in by the draftsman of this bill, inadvertently I hope. Let us plug up the loophole so that there is only one way to give away property, and that is under section (b), when it has no commercial value.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word, to oppose the amendment.

In order that the Members may understand the amendment, the gentleman from Ohio inserts the word "or" in line 19 section 10 between the words "lease" and "transfer", and strikes out the words "or other disposition" as well as the words "or otherwise."

Permit me to say this, Mr. Chairman, that section 10 (a) under consideration deals with the methods of disposition, and under section 10 (b) property cannot be given away unless it is declared to be of no commercial value.

Under section 10 (a) there is a definite provision which reads, "Wherever any Government agency is authorized to dispose of property under this act", so it must be disposed of under this act, transferred for value, and at the fair market value. And on 2,000,000 items—much of it in foreign countries that I hope will



never come back to this country—he is to be given broad discretion. I do not know just what he will have to do in order to get value for it, but I do say that in four or five words it is exceedingly difficult not to give him the wide discretion that he ought to have in the disposal of property either for cash or for something in kind, and that is exactly the purpose of this language. The word "given" is not here. You say "other disposition", but this other disposition is within the terms of this act and under the terms of this act he has to sell it, and not give it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MORRISON of North Carolina. In connection with the word "otherwise," the supreme court of my State gave great significance to it in a will case. It means nearly anything. It is a bad word, if the gentleman will excuse me. I wish the gentleman would eliminate that one word.

Mr. WHITTINGTON. That is not the purpose of the amendment. I think as a lawyer now, with all due deference, when you speak about exchange in kind, cash or credit, or otherwise, it would be considered as being equal to.

Mr. MORRISON of North Carolina. No. It would make no sense. If it means the same as that which precedes it, it means anything. A great valuable property was conveyed in my State under a will, significance being given to the word "otherwise."

Mr. WHITTINGTON. I understand the gentleman's question. I do not know just what that word "otherwise" would be necessary to embrace, but I do know this, that he has to sell the property under the terms of this act. It does not provide for a gift.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. TABER. "Otherwise" would mean "a gift."

Mr. WHITTINGTON. I respectfully differ with the gentleman.

Mr. TABER. There cannot be much question about that.

Mr. WHITTINGTON. The gentleman asked the question if I thought it meant a gift.

Mr. TABER. Let us be on the safe side. We do not know what it does mean.

Mr. WHITTINGTON. Let us be reasonable, if the gentleman will pardon me. I have been opposing donations and gifts for 2 days. Whenever any Government agency is authorized to dispose of property under this act it can only dispose of it under the act. There is a prohibition against donations and gifts. What we do is to give the Administrator broad discretion in disposing of it. As to this six or seven billion dollars' worth of property in foreign lands, he said he wanted to get cash for it if he could. He wanted to get property in kind if he could not get cash. He wanted the power to dispose of it and get every dollar he could. There is no occasion for the pending amendment.

Mr. CASE. Mr. Chairman, I move to strike out the last word. I wish merely to call attention to the fact that the language of the amendment leaves in the words "transfer" which will cover unusual transactions. "By sale, exchange, lease, or transfer." "Transfer" is certainly broad enough to cover any method of disposition under the terms of the act without creating some vague uncertainty by the words "or other disposition."

The Vorys amendment also leaves in "cash, credit, or other property," so that there is enough room for disposing of property within the general intent that disposition shall be by a contract with a consideration without creating an uncertainty by using "or otherwise."

"Other disposition" and "or otherwise" are words so broad that no one knows what they mean, and it is much safer to take them out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, consent having been given, I offer herewith to be printed in the RECORD two proposed amendments to the pending bill. These amendments if adopted will go very far toward preventing the Congress from losing control over the powers being conferred upon the executive branch of the Government by the provisions of this bill. There is no reflection upon the executive branch of the Government by reason of these proposed amendments or their adoption, in the event they should be adopted, because the enormous emergency powers being conferred by the provisions of this bill are such powers as would in large degree ordinarily be retained by Congress.

The first proposed amendment would subject the term of office of the Administrator to the possibility of termination at any time upon the happening of the concurrent resolution by the two Houses of Congress provided for by the following language: At page 26, in lines 4 and 5, this language is contained in the bill:

The term of office of the Administrator shall be 2 years.

This is the proposed amendment:

Page 26, at the end of line 5, strike out period, insert comma, and add "unless the two Houses of Congress by concurrent resolution shall designate a shorter term, upon which occurrence the term of office of the Administrator shall terminate on the date designated in such concurrent resolution."

The second proposed amendment is as follows:

On page 44, in line 11, after the word "or", insert "at an earlier date if such date be designated"—

So that that part of the bill will read: unless extended by law this act shall expire at the end of 3 years following the date of cessation of hostilities in the present war as proclaimed by the President, or at an earlier date if such earlier date be designated by concurrent resolution of the two Houses of Congress.

The language proposed to be added is "at an earlier date if such date be designated."

These two amendments would retain in the two Houses of Congress power to terminate the service of the Director if his conduct of the enormous business to be transacted under the provisions of this bill should cease to meet the approval of the Members of the Congress who had created his office and conferred upon him the great powers provided for in the bill. In such circumstances there would have to be a new designation, which in turn would have to meet the approval of the Senate.

Under the last-proposed amendment the two Houses of Congress would retain the power to terminate the extraordinary grants of power contained in this bill. There is nothing novel about what is proposed by these amendments. Insofar as I know their constitutionality is generally accepted, because the happening of the incidents or the contingencies upon which the termination would occur would be contained as a part of the legislation conferring the power, and, of course, would be agreed to by all the agencies having to do with legislative processes. It is a just and wise arrangement, speaking generally, which should accompany grants of great emergency power to deal with emergency situations as I have had occasion to state several times. Those statements were made after careful examination of the facts. When democracies confront situations requiring greater strength in government and a greater rapidity of movement than is possible to be had through the normal democratic processes, it is the custom—universal perhaps—in the long history of democratic governments for emergency powers to be conferred upon the executive to deal with emergency situations. That is especially true when a democracy is engaged in a war. Our people seem instinctively to sense the necessity for a greater strength in government and a more rapid pick-up and movement in governmental processes than their institutions functioning normally can provide. There is a sort of instinctive insistence upon the concentration of necessary power in the executive branch of the Government, which has responsibility of fighting a war. Usually during this long history we have been able to retain the power to control the exercise of these emergency powers if such control should become necessary, and retain in the representative branch of the Government—the policy-fixing agency of the Government—the power to recapture and redistribute the emergency powers when the war is over.

It is not improbable that at the end of this war in connection with decentralization and redistribution we may find it to have been a wise precaution if we take it regardless of who will head the executive branch of the Government, or his personal attitude toward such redistribution, that we shall have retained as far as possible in the legislative branch of the Government as much power as possible under our Constitution to effectuate this redistribution.

It has seemed to me that in connection with this bill this retention of power to the degree proposed by these amendments could be effectuated with the minimum of personal element and con-



cern, because of the individual who it is generally understood is to assume the great responsibility conferred by this bill, is the one man who would perhaps be the first choice of 90 percent of the Members of Congress and an equally large percent of the advised citizenship of the country.

I do not want to be officious about this matter, or insist as against the judgment of members of the committee responsible for this bill. But this is the type of legislation where it is utterly impossible to provide ordinary precautions in the language of the bill without reducing the power and discretion of the Administrator essential for him to have in order that he shall do the best job and to have the power necessary for him to have to be responsible for the conduct of the business assigned to him by the provisions of this bill. In order that there be responsibility for doing a job well there must not be the lack of power and direction to do it well. In order for there to be proper protection of the public interest the grantor of that power should retain as far as practical the power to withdraw the power granted. There is no reflection upon anybody by that arrangement.

(Mr. SUMNERS of Texas asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CANFIELD] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. SMITH of Ohio and Mr. REED of New York asked and were given permission to revise and extend their remarks.)

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem written by Mr. L. H. Beck, of Griffin, Ga., inscribed to his son, who is a pilot in the Air Forces in France.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks in two respects, one with regard to the perfecting amendment I offered

earlier today, and the other in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

[The matter last referred to will appear hereafter in the Appendix.]

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the statement on foreign policy made yesterday by Governor Dewey.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of pollution in the Delaware River and include a speech delivered last evening at Paulsboro, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### CONSENT CALENDAR

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### POST-WAR SECURITY CONFERENCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, according to the press, the Secretary of State, Mr. Hull, is going to call some of the Members of Congress to attend some of the later deliberations of the Post-war Security Conference. Ten days ago I spoke of the importance of

asking members of the committees handling foreign affairs to observe some of the deliberations at Dumbarton Oaks. I am extremely glad that the Secretary of State has promised to do so, because certainly the representatives of the people should be given information, perhaps not as to every detail, but certainly as to the general picture of what the delegates from the different nations have in mind. We must protect ourselves and certainly protect the smaller nations and give them an opportunity to be heard in any post-war plan. It is the only decent way to do, and the only way that a permanent peace may be secured.

#### MILLIONS OF POUNDS OF MEAT WILL BE SPOILED BECAUSE OF CORNER OF BLACK-PEPPER SUPPLY BY A FEW IMPORTERS

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 10 minutes.

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Speaker, black pepper is a small item in an individual's diet, but millions of pounds of meat will be spoiled in the next 6 months due to the inability of farmers and commercial processors to secure an adequate supply of black pepper for seasoning of sausage and other processed meats. More than 30,000,000 pounds of black pepper, or enough to take care of all requirements to the end of 1945, is in storage in this country but the owners refuse to sell at the ceiling price fixed by the O. P. A.

The Commodity Trading Co., of New York, owner of nearly 20,000,000 pounds of this necessary spice, and a half a dozen other importers, have cornered the supply and refuse to sell any pepper for civilian use. Commercial meat processors use 40 percent of all black pepper and the public 60 percent.

While it is admitted by Government officials that the cost of sausage and processed meats will not increase if the ceiling price of black pepper is raised several hundred percent, the O. P. A. refuses to act. Consequently, millions of pounds of meat will be spoiled in the coming months because of the lack of black pepper for proper seasoning.

The importers who have cornered the supply of black pepper should be allowed a fair profit on their holdings, and if they are not then willing to sell, it appears to me that the matter warrants prompt attention of the Department of Justice. Many American citizens have been prosecuted for less. The public should not be made to suffer because of greed on the part of a few importers.

The O. P. A. ceiling price on black pepper is approximately 6½ cents per pound. The price in England is around 22 cents. Commercial users of pepper are anxious to secure their supply in the British market, but are prohibited from making such purchases on account of an agreement between the Government of the United States and England. It looks

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OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

78th-2nd, No. 132

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 22, 1944, for actions of Monday, August 21, 1944)

(For staff of the Department only)

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SENATE

NOT IN SESSION. Next meeting Tues.. Aug. 22.

HOUSE

1. PROPERTY MANAGEMENT. Continued debate on H. R. 5125, the surplus-property disposal bill (pp. 7217-44). Agreed to the following amendments: By Rep. Case, S. Dak., to remove the exemption from other statutory provisions with regard to disposal of property under "methods of disposition" (pp. 7226-8); by Rep. Mott, Oreg., to provide that the Navy Department shall be the sole disposal agency of all naval property, after rejecting, 26-40, Rep. Manasco's (Ala.) substitute amendment to exempt only combat vessels from this act (pp. 7228-9); by Rep. Robertson, Va., to include volunteer fire companies in the list of preferential recipients (pp. 7229-30); By Rep. Halleck, Ind., 76-67, "to prohibit the reimportation of property sold for export", after rejecting amendments to the Halleck amendment by Reps. Allen, La., Case, S. Dak., and Wright, Pa., (pp. 7230-7); by Rep. Gossett, Tex., as amended by Rep. Taber's (N. Y.) amendment, to insert a new subsection (g) in Sec. 11, in place of Sec. 15 (g) relating to "whole question of disposing of surplus agricultural lands," after rejecting Rep. Wickersham's (Okla.) substitute amendment to leave in Sec. 15 (g) and insert merely a policy statement in Sec. 11 (pp. 7237-40); by Rep. Miller, Conn., to afford returning veterans an opportunity to purchase single units at the same price such property has been sold in large lots (p. 7241); and by Rep. McConnell, Pa., to strike out Sec. 11 (g) "to encourage mutually beneficial trade relations with foreign nations and to develop foreign markets (p. 7244).

Rejected amendments by Rep. Voorhis, Calif., 32-58, to prevent speculative profits by directing the Administrator to prescribe fair margins of mark-up on disposed property (pp. 7217-21); by Rep. Wickersham, Okla., to eliminate the provision for the destroying of property of no commercial value (pp. 7221-2); by Rep. Jensen, Iowa., 65-69, to give first priority of purchase on not to exceed 25% of all surplus dirt-moving equipment to soil-conservation districts and other public soil-conservation agencies (pp. 7222-5); by Rep. Voorhis, Calif., 39-40, to provide for public notice of surplus property available for disposition (pp. 7225-6); by Rep. Walter, Pa., to strike out "cooperative organizations"



in the list of preferred recipients (pp. 7240-1); by Rep. Poage, Tex., to direct "the Administrator to sell soil-conservation equipment to soil-conservation districts on credit" (p. 7241); by Rep. Hare, S. C., to prohibit sales by Government agencies of surplus property at less than 10% below the appraised value and resale by anyone at a price more than 20% above the purchase price (p. 7242); by Rep. Holifield, Calif., to provide that the SWPC may certify that certain property is required for the use of small business and may request its allocation (p. 7242); by Rep. Wickersham, to give veterans' organizations, farm organizations, and farm cooperatives, and organizations of rural mail carriers preference in the purchase, on behalf of their respective members, of surplus jeeps (p. 7243); and by Rep. Wickersham, to designate this Department as the disposal agency of agricultural and grazing lands (p. 7243).

Rep. Rolph, Calif., discussed and then withdrew his amendment providing that "Before any surplus property covered in this bill is offered for transfer between Government agencies and/or for public sale, and over-all inventory of all such property shall be compiled and given public distribution (pp. 7242-3).

2. POST-WAR PLANNING. Rep. Jarman, Ala., commended the Dumbarton Oaks Peace Parley (p. 7216).

Rep. Rogers, Mass., criticized the omission of invitations to members of Congress to attend the Dumbarton Oaks Peace Parley (p. 7216).

#### BILLS INTRODUCED

3. PAYMENTS IN LIEU OF TAXES. By Rep. Weiss, Pa., H. R. 5214, to authorize State and local taxation of land, improvements and appurtenances thereto, and all machinery disposed of by the Government in any manner whatsoever. To Ways and Means Committee. (p. 7245.)

4. PERSONNEL. Rep. Everharter, Pa., H. R. 5215, to amend the Classification Act of March 4, 1923, as amended to create a mechanical service. To Civil Service Committee. (p. 7245.)

#### ITEMS IN APPENDIX

5. SELECTIVE SERVICE; DEPENDENT'S AID. Rep. Woodrum, Va., inserted his address given before the Virginia American Legion explaining benefits of the GI Bill of Rights (pp. A3955-7).

6. SURPLUS PROPERTY. Speech in the House by Rep. Miller, Conn., urging appointment of a "salesman" who can dispose of surplus war property at a profit so that the Treasury may have the funds to cash war bonds when the war ends (pp. A3958-9).

7. FORESTRY. Extension of remarks of Rep. Barrett, Wyo., including Judge Charles E. Winter's answer to a Boston Globe editorial criticizing the Jackson Hole Monument bill (pp. A3963-4).

8. RECLAMATION; FLOOD CONTROL. Extension of remarks of Rep. Barrett, Wyo., including a Western Construction News (San Francisco, Calif.) editorial supporting the Bureau of Reclamation plan for use of Missouri River waters for irrigation purposes (p. A3965).

9. MEAT PRODUCTION. Extension of remarks of Rep. Miller, Nebr., criticizing the "governmental agencies who have placed ceilings on cattle and issued other confusing directives, including the changing of the rules in the middle of the feed lot" (p. A3967).



marks and include an editorial from the Dayton Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[The matter referred to appears in the Appendix.]

DONALD NELSON

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, one of the most valuable and one of the most able men in our Government is Mr. Donald Nelson, Chairman of the War Production Board. I deplore the fact that it is contemplated that Mr. Nelson will probably go to China and be there for several months, for the reason that I think it is against the interests of the Government and the people at this time for him to leave. He has been helpful to and cooperated with the committees of Congress. I do not know of any person in our Government who has gotten along with congressional committees better than Mr. Nelson. He has their respect and admiration. He is a great friend of small business. I predict that when this war is ended he will emerge as one of the really great men connected with it.

So, in the interest of the Government and the people, the war effort, reconversion, and especially small business, I hope the report is not true, and if true I hope such plans are changed in a way that Mr. Nelson will remain here.

The SPEAKER. The time of the gentleman has expired.

#### CONSENT CALENDAR

Mr. BLAND. Mr. Speaker, I rise to propound a parliamentary inquiry. I am not going to object if consent has been given to dispose of the Consent Calendar, but I would like to know if we are going to have any chance for it to be called. There are one or two bills of very great importance on that calendar, not particularly to our committee, but for relief for people working in the Coast Guard and the temporary Reserves. I would like to know if there will be an opportunity for that calendar to be called.

The SPEAKER. The call of the Consent Calendar and the Private Calendar for this week has been dispensed with.

Mr. BLAND. I was sure that was the situation. My inquiry was as to the possibility of a call of the calendar at this session or next week or the week following, which I understand will be Labor Day. I did not know whether we would have to go to the Speaker and get him to recognize us for special consideration.

The SPEAKER. That is hardly a parliamentary inquiry.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of

the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment at this point in the bill.

The CHAIRMAN. The Committee is still considering section 10, on page 32, of the bill. The gentleman from California [Mr. VOORHIS] offers an amendment to that section which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Insert the following new section on page 32, line 17:

"In order to prevent speculative and excessive profits being realized by anyone the Administrator shall prescribe fair margins of mark-up on any item disposed of by any Government agency for resale by the purchaser. These margins shall be in accordance with usual trade practices and it shall be unlawful to resell surplus property for a price in excess of these margins so prescribed."

Mr. VOORHIS of California. Mr. Chairman, I am offering this amendment for my colleague from California, Mr. IZAC, who unfortunately was called by official business out of town today.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. HARE. I find myself in accord with the objective, but I am wondering whether or not it is not policy and should come under section 11 instead of section 10?

Mr. VOORHIS of California. The difference, as I understand it, between section 10 and section 11 is that if this is added to section 10 it becomes mandatory, whereas if it is added to section 11 it becomes discretionary and a matter of policy. To make it mandatory is the purpose of offering it at this place, I may say to the gentleman.

The purpose of this amendment, I believe, is quite obvious. It does not fix any one mark-up margin which must be required on all types of property, which would obviously be impractical, but it does instruct the Administrator that everytime a lot of surplus property is sold he shall fix as to that lot of property the percentage of mark-up which will be allowable to the person purchasing it from the Government when he resells it to other people. I know of no better way the House can, without question, prevent the possibility of profiteering in the case of any of this surplus property than to adopt this amendment.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BLOOM. Answering the statement the gentleman made a moment ago that it was policy, not mandatory—

Mr. VOORHIS of California. No; I said I wanted it to be mandatory. That was the reason I was offering it at this

point in the bill. I believe that taken together with adequate public notice, which is an amendment I will offer in just a moment, together with the requirement that goods be sold in the smallest practicable lots, I believe then to provide that the Administrator himself according to his best judgment and according to the advice he will receive from such advisory groups as are set up to work with him, that for the Administrator himself to say as to a lot of shoes, a lot of mattresses, a building, or anything else that may be sold, that the allowable mark-up shall not be in excess of such-and-such a percentage of the price paid to the Government for these things, will be the best safeguard that can be given.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. COCHRAN. I should like to ask the gentleman this question: This of course is going to be a tremendous job when, as has been repeatedly said here on the floor, there are a million items. But suppose you do place a ceiling price on an article that is sold to a wholesaler and he sells that to a retailer for further sale and he charges the maximum price to the retailer; the retailer does not know it; then he has got to pass it along at that maximum price and make absolutely no profit himself. We all want to stop speculation and we all want to stop profiteering, but this will mean more difficulty in administration.

Mr. VOORHIS of California. Let me answer the gentleman this way, that without my amendment the very situation the gentleman describes and states he fears is more likely to happen than with my amendment. My amendment says that the person purchasing these goods from the Government cannot mark them up more than a certain percentage. It says the Administrator shall fix the percentage as to each lot. I do not believe you can fix a flat percentage as to all goods regardless of their nature, but I want to make it very clear to my good friend the gentleman from Missouri [Mr. COCHRAN], that the effect of my amendment would be to prevent the very situation he fears. I want to fix it so that the wholesaler purchasing from the Government could not mark such goods up more than 10 percent, 12 percent, 6 percent, 2 percent, whatever the proper margin should be.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield further?

Mr. VOORHIS of California. In just a moment; I must yield first to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. I should like to ask this question: When the O. P. A. fixes a ceiling price on automobile trucks, for instance, is the Administrator going to supersede the functions of O. P. A. in dealing with these matters that come under O. P. A.?

Mr. VOORHIS of California. No; he is not. Presumably all sales would still be subject to O. P. A. regulation so long as O. P. A. is continued. It is believed, however, that some of these goods may be sold at a price considerably less than the normal trade price, but it seems to me



there should be some regulation as to the amount of profit mark-up that can be had.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish it were possible for this amendment to be workable, for I should like to support it; but I do not believe the amendment is workable. Here is the situation that might arise: Suppose a wholesaler purchases a hundred thousand suits of underwear from the Surplus Property Administrator; suppose he has on hand a hundred thousand suits of underwear of the same type. He could not sell the underwear he bought from the Government above a certain price. It would have the effect of beating down the price of the very manufacturers we hope are to give jobs to the boys when they come back from the war.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. The Administrator, of course, would not have to do that unless, in his judgment, he thought they were doing the thing that you mention. In other words, this amendment does not tie the Administrator's hands in any way to compel him to fix that mark-up so low as to bring about the thing the gentleman fears. It gives him sufficient latitude to meet such situations.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. Let us pursue this a little further to see how this is not going to be workable from the administrative standpoint. The objective is to stop speculating and to stop uncalled-for profits. The wholesaler buys the hundred thousand suits of underwear as the gentleman from Alabama says, and there is a mark-up price fixed on it. The wholesaler then sells it to the retailer. There is no mark-up price fixed on the retailer. He may sell it for as high a price as he wants to the consumer. There you have the retailer making an uncalled-for profit. You cannot administer this law by putting a mark-up price on everybody who sells that article or resells it.

Mr. MANASCO. I believe the gentleman has correctly stated the proposition. Another thing that occurred to me in this provision—it is a revolutionary provision—suppose I go to the Surplus Property Administrator and purchase a hundred thousand cases of tomato soup and sell it to a corporation in which I am part owner. Under the regulations as provided by the amendment offered by the gentleman from California, there is nothing in the world to keep the corporation from selling to the consuming public the soup for any price it wanted to—any price the public would pay.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. TABER. The amendment states that the mark-up shall be along the line of usual trade practices. The usual trade

practices have been that this Government property should be sold as junk and the mark-up should be enormous. If we are going to adopt such an amendment as this it ought to be most specific.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. There certainly is no such general understanding of the phrase "usual trade practices." In commerce it has a very definite and well-understood meaning.

Mr. TABER. But that is the usual trade practice on that kind of stuff.

Mr. VOORHIS of California. Usual trade practice means something definite in the language of commerce, and that is what I mean in my amendment. I do not mean selling this Government property as junk with high mark-ups.

Furthermore, answering the gentleman from Missouri, I may say that retail competition will tend to keep the final sale price within reasonable limits. I cannot see why, if the gentleman wants to afford as much protection as possible against profiteering and uncalled-for profits, he should have any objection to doing it as to the original purchaser from the Government. That is all my amendment does.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Missouri.

Mr. COCHRAN. I may say that one of the objectives of this bill is to accomplish what the gentleman wants to accomplish.

Mr. VOORHIS of California. No. All I am trying to do is to help the Committee realize its objective.

Mr. MANASCO. Is this act to be administered by an able and honest administrator, required under his oath of office to give effect to the policies outlined in the bill to the fullest extent feasible and in the public interest? If the answer is "No," then this bill should not be passed. If the answer is "Yes," then the Administrator should not be hampered by restrictions and mandatory provisions which, although having merit in themselves, looked at alone, may make it impossible for him to carry out some other equally important and desirable policy.

The idea and the intention of the gentleman from California are something that we all hope to be put into effect. We do not want anyone making millions of dollars out of these surpluses, but if we go to restricting by amendments like the one offered by the gentleman from California, then it would be impossible for the Administrator, without having a corps of employees that would make the old W. P. A., O. P. A. and War Production Board look like dwarfs, to administer it. If the amendment is agreed to, we would have to go to the Appropriations Committee and expand the Surplus Property Administrator's office force from its present 50 in number to some 500, or 150,000 people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the

gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman.

Mr. WHITTINGTON. Mr. Chairman, under the provisions of section 11 the policies are mandatory and in proper cases the Administrator has the right to stipulate marked-up prices, but it would not be compulsory as is contemplated by the pending amendment. If we provide for the compulsory mark-up of prices for a million articles it would make impossible the disposition of the surplus property, it would be revolutionary and we would be embarking upon a system that the course of business and trade has never pursued. Men can go into the market and into the market places and buy property and sell it at a reasonable profit.

Mr. MANASCO. You would destroy existing trade channels.

Mr. WHITTINGTON. To prevent profiteering and prevent speculation were the objectives, but in proper cases he has authority in providing for distribution and in protecting the consumers to provide a mark-up.

Mr. MANASCO. If this amendment is adopted, we should also amend the Bankruptcy Act where people buy goods at a bankruptcy sale, and they should also be limited in their profit.

Mr. RANKIN. Will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wonder through how many sales the provisions of the amendment offered by the gentleman from California would reach? Would it reach to the first seller or to the second seller or to the third seller, or if that provision would follow this property all the way through the various channels and affect everyone who handled the property, and if so, for how long a time?

Mr. VOORHIS of California. It affects only the first purchaser from the Government, I will say to the gentleman.

Mr. MANASCO. Which means we could get around it, if we desired to, in connection with the purchase of this surplus property by organizing a dummy corporation. It is a very dangerous proposition, in my opinion, to make this mandatory, and I hope that we can keep down speculation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARE. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE as a substitute for the amendment offered by Mr. VOORHIS of California: On page 32, at the end of line 17, add the following:

"Provided, That all such property, equipment, supplies, or materials shall when declared surplus, be inventoried, classified, and appraised in value, and that none of such property, equipment, materials, or supplies, not otherwise disposed of, shall be sold at a



price not more than 10 percent less than the appraised value or resold by anyone at any time at a price exceeding 20 percent above the purchase price.

"Provided further, That such property, equipment, materials, or supplies, excluding real estate, shall, as near as feasible, be made available to the several States in proportion to the population of a State bears to the total population of the United States."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order that the amendment is not germane either to this section or to the pending amendment.

The CHAIRMAN. Does the gentleman from South Carolina [Mr. HARE] desire to be heard?

Mr. HARE. I think probably it should come as an amendment to section 11, Mr. Chairman, but, in my opinion, it is germane to the amendment which has already been recognized.

The CHAIRMAN. The Chair thinks that the amendment will be more germane to the next section, that it is of doubtful germaneness here and the point of order is sustained at this point.

Mr. MAGNUSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that what we are trying to do in this bill is the very thing that the gentleman from California is endeavoring to do—prevent speculation. I regret that the Chairman sustained the point of order lodged against the amendment offered by the gentleman from South Carolina [Mr. HARE]. After all, what we are trying to do here today is to prevent a lot of speculation on war surplus property. We know that after the last World War certain people bought up a lot of property, held it for a time, then speculated and sold it to the taxpayers who owned the property in the beginning, and made a handsome profit. That is what we are trying to prevent here today.

It seems to me that the amendment offered by the gentleman from California goes right to the heart of the bill. There is no reason why the Administrator after the initial sale—and I would do what the gentleman from North Carolina would seek to do—should not make it unlawful for anyone to sell property over and above a certain profit. The gentleman from California has a sound amendment to the effect that the Administrator may determine what the further sale after the initial sale can be. Regardless of the fact that it may be somewhat mechanically difficult to accomplish, it does go to the very heart of the bill, and I hope that the amendment offered by the gentleman from California will prevail, because that is what the people of America are thinking about today. They are thinking about all these things that they paid for and they want the opportunity to buy them and they want the opportunity to buy them without someone speculating and making a profit on them.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from California.

Mr. VOORHIS of California. The point has been made that my amendment would not regulate all the sales after the first sale, therefore somebody might profiteer after that. Certainly

they will have just that much more opportunity to do that very thing if my amendment is not adopted. You could not go all the way down the line perhaps and have him regulate every resale that might take place, but the duty of the Congress is to see to it that the purchaser from the Government does not profiteer from that point. We have to just hope from then on that competitive conditions and other things of that character will take care of the situation.

Mr. MAGNUSON. And they probably will.

Mr. VOORHIS of California. I think they will.

Mr. MAGNUSON. The gentleman from California is trying to do the very thing that everyone in this House and everyone in the country wants done and prevent what happened after the last war. We do not want people buying a lot of surplus property in bulk lots, hold it, speculate on it, and resell it for an enormous profit. That is what happened after the last war and it should be unlawful to do that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 20 minutes, leaving the last 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I do not want to be placed in a position of opposing the amendment offered by the gentleman from California, but I would like to emphasize the difference between his amendment and the one I plan to offer to section 11. The amendment I propose to offer fixes the price with more or less definiteness; in other words, it provides that any agency declaring equipment or property as surplus shall at the same time classify it and fix what it considers a fair value. Such agency or the Administrator would be able to reduce that price as much as 10 percent, but at no time after this material has been purchased from the Government can it be sold for more than 20 percent of the purchase price. It has been said that the first objective of this bill is to provide for the disposal of surplus war property. The next objective is to see that the Government obtains the greatest revenue from its sale and at the same time prevent profiteering or unusual or excessive profits by the purchaser. If that be the objectives, why should not the Congress assume its responsibility and fix a standard or yardstick by which those in charge of its disposition are to be guided and directed, and not leave so much to the discretion of one or two or half a dozen persons.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. STEFAN. Is the gentleman seeking a gross ceiling on profits? Is he referring to a gross profit or a net profit,

or is it 20 percent above the original purchase price all the way down the line?

Mr. HARE. Yes; 20 percent above the purchase price.

Mr. STEFAN. Is it gross or net profit?

Mr. HARE. I assume it is gross profit.

It is a price in excess of the purchase price. I cannot tell whether it is net or gross. In a measure, it fixes the price. It does not prevent a resale once, twice, or three times, but it fixes the price for the ultimate consumer, the person who uses the equipment, the commodity or the property, and that it shall not be more than 20 percent of what the Government recovers out of it and puts into the Treasury of the United States.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. GILLESPIE. Does the gentleman mean that all the gross profit he can make is 16 percent?

Mr. HARE. No. I assume it will be 20 percent gross profit. I have no way of knowing what net profit would be.

Mr. GILLESPIE. The gross profit is the only thing you can know about. It is pretty hard to know about net. The gentleman says 20 percent above the Government price. That would be 16 percent on the sales price. Does the gentleman think that he can do business on 16 percent?

Mr. HARE. I think so, yes, and I think anything above that may become excessive.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield.

Mr. RANKIN. Will the provisions of the gentleman's amendment follow this property through two, three, or four sales?

Mr. HARE. It will follow it all the way to the end.

Mr. RANKIN. Suppose a man buys a truck. He keeps it a while and decides to sell it to his neighbor. His neighbor decides to sell it to his son-in-law, and his son-in-law decides to sell it to his brother-in-law. Does the gentleman's provision follow that truck all the way down the line?

Mr. HARE. Certainly.

Mr. RANKIN. Is that not going to have a tendency to stagnate and paralyze the handling of this surplus material?

Mr. HARE. I do not think so, because if the truck were sold for a fair market value in the first instance it would not increase in value as time went on or by continued use for any length of time. Twenty percent would be a fair profit. It is not the purpose of this bill to encourage repeated sales at big profits because that will encourage profiteering, the very thing we are trying to obviate.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I find myself in a position where I will have to vote against both of these amendments. I think they are both entirely unsound, impractical, unworkable, and would bring into our economy a proposition which would be absolutely impossible. You want to move these



surplus goods. Suppose your cost of doing business is 30 percent of gross sales, or 26 percent of gross sales. The Hare amendment would limit you to 20 percent mark-up so that you, as the interested purchaser, would not buy the goods, and therefore the goods would remain unsold. That, then, to me, should dispose of the Hare amendment in sections 10 or 11, wherever it is offered.

Let us now go to the Voorhis amendment. The Voorhis amendment calls for a fixing of the price margin by the Administrator. We have O. P. A. machinery set up with perhaps a quarter of a billion dollars of expense per year. We are paying to maintain that machinery to designate these mark-ups. Here is a proposal to bring in another element into our economy through the Surplus Property Administrator which will simply add confusion to what is already going on. Of course, unless that price ceiling or margin went all the way through, with all of the multitude of regulations that go along with it, the thing would break down, and it would not be efficacious, and would not, in my opinion, bring forth the intent that the gentleman from California is seeking. If there was some way of designing this so that the Price Administrator could do this job all the way through and across the board as he is doing on some of these other things, then I would be willing to go along and support the amendment. But this is just a start. As the gentleman from California says, if you do not put this in, why you do not get that much out of it. Sometimes you can put a pinch of an ingredient into a batch of stuff and ruin the whole mix, and I think this amendment would do exactly that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VOORHIS of California. The Administrator will have to price the goods, will he not, when he sells?

Mr. CRAWFORD. But he does not make price margins all the way through.

Mr. VOORHIS of California. But he determines what he has to sell it for. He is going to establish a price in order to determine what the fair mark-up will be.

Mr. CRAWFORD. I beg to differ with the gentleman. Setting a price on something you sell is one problem, but then going all the way through and determining the selling margins on the item all the way to final consumption, issuing regulations and specifying penalties, is a different proposition entirely.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. DONDERO. I think the gentleman's amendment ignores the age-old law of supply and demand.

Mr. CRAWFORD. Of course.

Mr. DONDERO. No article is to be traded among you. Perhaps you do not have a mule or an automobile. How are you going to determine the price or profit on such a transaction?

Mr. CRAWFORD. We are going to find out we cannot do those things satisfactorily by the regulation.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CURTIS. Is it not true that the sound solution to this problem in which we are all interested is to distribute this merchandise and commodities so that the natural forces of competition will still work?

Mr. CRAWFORD. You are going about this thing with the idea that you are going to do this job in 3 years. If you are going to dispose of this property in 3 years you are going to have to move goods; there is no fooling about that. If you want this agency to run along for 15 or 20 years, that is a different proposition.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, we all sympathize with the gentleman from South Carolina [Mr. HARE] and the gentleman from California [Mr. VOORHIS] in their attempts to hold down profiteering on these materials. But both of their amendments overlook the most fundamental factors with which we are confronted. They overlook the fact that we are not going to have regimented economy, we hope, after this war is over.

In a free economy prices are regulated by the volume of the Nation's currency multiplied by the velocity of its circulation. Let us see what the situation in that respect is today.

In 1920, at the peak of high prices, we had \$5,698,000,000 in circulation, or \$53.21 per capita. Instead of having \$5,698,000,000 in circulation on June 30 1944, we have \$22,504,000,000 of circulation. Instead of \$53.21 per capita, we now have \$163.07 per capita in circulation.

When this price-fixing program is ended prices will rapidly rise to that level justified by the volume of currency in existence multiplied by the velocity of its circulation.

Are you going to reduce this volume of currency when the war is over? If you do, you will bring about repudiation in whole or in part of our Government bonds; because there will be so much debt that you cannot go back to the old price standards and raise sufficient money to take care of them.

You cannot even hold prices down to what they are now and pay this debt in whole, or a reasonable part of it within the next generation.

So when this material strikes the market and is sold, if prices are beginning to rise to the economic levels then justified, if you are going to hold them down and say that the man who sells them must hold his profit down to a certain point, you may cause this property to become stagnant in the hands of the first purchaser or the second purchaser or possibly in the hands of the Government itself. So I am afraid that instead of doing what the gentleman from California [Mr. VOORHIS] and the gentleman from South Carolina [Mr. HARE] are driving at, we might stagnate this property and make everybody afraid to purchase or handle it.

I saw some of this property handled after the last war. I know one man

who was in public office. They sent him a great deal of this property and he could not handle it. He did not know what to do with it. He was afraid to sell it, and some of it disappeared, and later they threatened to prosecute him because it had disappeared. To my certain knowledge, it stood there in a vacant lot and nobody wanted it.

So I say when you undertake to put this kind of a strait jacket on, you are saying to the country, "We are going to perpetuate price fixing." As far as I am concerned, I am for getting rid of all regimentation including price fixing as soon as the war is over.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, the committee in charge of this legislation seem to me to plead a very inadequate answer when they simply come before this House and say that the Voorhis amendment or the Hare amendment is not sufficient to take care of the problem. It is perfectly true that neither the Voorhis amendment nor the Hare amendment can solve all the problems of maintaining an equitable resale value of this property. It is perfectly true that that is going to take a great deal of work, and that these amendments are doubtless impracticable of operation, but they do recognize the duty of this House to protect the public.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. IZAC. The gentleman recalls that not very long ago some batteries for flashlights were sold and a profit of 7,000 percent was made on them.

Mr. POAGE. That is right.

Mr. IZAC. Certainly neither the gentleman from Texas nor the gentleman from Mississippi, who preceded him, believes in having that kind of exorbitant and excessive profits made as a result of the disposition of our surplus property.

Mr. POAGE. No. I know the gentleman from California, who could not get here until just a few minutes ago, was primarily interested along with the other gentleman from California in trying to prepare an amendment to prevent that. I am in favor of preventing that sort of thing. I know there is enough intelligence in this House of Representatives to write legislation that will prevent it.

I am sorry the committee has come in with this confession of inability to deal with this great problem, and has told us, "Oh, well, we cannot do anything about it, and you do not have the correct answer." I think it is the duty of the committee to bring in a correct answer to this sort of thing. It is not sufficient for the committee to say that the gentleman from California does not have a perfect amendment. The instances the gentleman from California has cited have taken place in too many parts of the United States altogether too often. Unless this Congress meets its obligation to stop them, we shall have failed our people miserably. The people are afraid we are going to have a repetition of what we had after the last war. I, for one, do not believe this bill, as it is now drafted, has in it any adequate pro-



vision to prevent a repetition of those scandals.

I confess readily that the amendments that have been presented here this morning may not go far enough and may not be adequate in their drafting, but I feel that it is the duty of a committee that brings a bill before us to provide some safeguards against the very things the gentleman has pointed out.

Last Friday the gentleman from North Carolina [Mr. MORRISON] said to this House:

Between the noble groups of splendid people, schools, hospitals, farmers, and other most popular and worthy groups who want this property given to them for commendable purposes, and the organized thieves in the United States, on the other hand, constituting another hidden but mighty host of those dedicated to selfishness and devilry who want to steal all of this property possible, it looks as if it is going to take the wisest and most careful action upon the part of both the legislative and executive branches.

I, for one, think we owe a positive duty to prevent this property going to the thieves.

I think the gentleman from California has sounded a proper warning. I think it is the duty of the legislative branch of the Government to take sufficient time to work this thing out in order that this property shall not fall into the hands of organized thieves. I think it has been very plainly demonstrated that this bill as it stands now offers the opportunity for this property to get into the hands of organized thieves, with absolutely no limit upon the profits that they may make. The committee owes it to this House and to the people to offer some reasonable safeguards. So far the committee has failed.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, of course I admire the fervor and idealism of my colleague from Texas who has just left the floor, but I can in nowise follow his thought in connection with these proposed amendments. I think a little reflection will convince all of us that both the Voorhis amendment and the Hare amendment would each absolutely prevent and preclude the distribution of these surplus war goods.

This matter was gone over carefully in the committee. As a matter of fact, an amendment was offered by me which appears on page 34, paragraph (i):

To prevent insofar as possible unusual and excessive profits being made out of surplus property.

After long and careful consideration, the committee concluded that that was just as far as we could go without paralyzing and stagnating the disposition and the handling of this surplus property.

If the amendments proposed by the gentleman from South Carolina [Mr. HARE] or the gentleman from California [Mr. VOORHIS] were at all workable, it would require a new O. P. A. set-up within the Surplus Property Administration, to make such provisions effective, and I know that none of us wants that to be done.

There are other provisions in this bill that give to the Surplus Property Administration the right, where it can be done and where it is practicable and workable, to fix the resale value of property.

Let me call your attention to the fact that what might be a reasonable profit in handling one article, say a truck, would certainly not be a reasonable profit in dealing with a plant sale involving \$5,000,000 or \$10,000,000. There is just no way to work out a percentage formula or a price-fixing formula in the disposition of these goods to any further extent than we have already done.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. May I remind the gentleman that when these goods are in competition with new goods that are being turned out by our factories, many of them will be more or less junk, and the Government will be fortunate in getting rid of them even at a low price. I do not believe we ought to tie the hands of the Administrator by insisting that a certain price be realized. I believe we would impair the disposition of these goods by doing so.

Mr. VOORHIS of California. My amendment does not require that any price at all be realized. It has nothing to do with that.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. What would the gentleman say a reasonable profit would be on a transaction that took place up in Wisconsin at one of the camps, where one individual bought several thousand pairs of shoes at 10 cents a pair?

Mr. GOSSETT. I have no idea, but that matter should have been controlled by the owning agency or the property disposal agency through the Administrator. We seek to set up in this bill directives that will prevent such transactions.

Mr. AUGUST H. ANDRESEN. Those shoes will probably be sold at \$1 or \$2 a pair.

Mr. GOSSETT. That would be an exorbitant and excessive profit, which this bill seeks to prevent, and against which it enjoins.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. This shoe transaction was gone into and it was found that these shoes that have been reported to have been sold were of no value whatever and were used for fertilizer. The public health authorities in the case that was discussed before our committee would not permit them to be handled for anything but fertilizer.

Mr. AUGUST H. ANDRESEN. I think this is a different case.

Mr. WHITTINGTON. It may be, but that is what happened in the case we investigated.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from California.

Mr. IZAC. After the First World War we had that very same thing happen. Unless you want some kind of an O. P. A. control, you are not going to limit excessive profits even if you put it in the hands of the Administrator. You say you will prevent excessive profits. How will that be done unless the Administrator becomes an O. P. A. Administrator and fixes prices? All we are attempting to do in this amendment is to say that he shall dictate a fair return to that purchaser. If that is not feasible, how are you going to tell the American people that excessive and exorbitant profits are not going to be made as a result of our disposition of surplus property in this war just as happened in the other war?

Mr. GOSSETT. It would be the duty and the responsibility of the Administrator to see that such goods bring a sufficient price to the Government in the original sale so that excessive profits will be impossible.

Mr. VOORHIS of California. The arguments made against my amendment are based upon the ground that he would have to have a big staff to determine the profit margin. I submit if he has to do the job which the gentleman just mentioned I think it is going to take a whole lot bigger staff than it would to determine a fair margin or mark-up.

Mr. CRAWFORD. Referring to the incident cited by the gentleman from California [Mr. IZAC] about the batteries, the difficulty there was that the Government agency gave the batteries away. Therefore, the fellow who sold them had an opportunity to make the 5,000 or 10,000 percent profit. Had a proper price been put upon the batteries at the time of sale by the Government agency, the opportunity for profit would not have been there and therefore that could not have followed. That is the answer to that problem.

Mr. GOSSETT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—ayes 32, noes 58.

So the amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 32, line 5, after the comma, strike out the remainder of the paragraph and insert "shall otherwise dispose of such property after proper notice of the method of disposition has been given."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that the Committee has adopted substantially that amendment as proposed by the gentleman from Texas [Mr. GOSSETT].

Mr. WICKERSHAM. Mr. Chairman, my amendment is a little different from



the amendment of the gentleman from Texas [Mr. Gossett]. My amendment completely removes the word "destroy" and leaves the bill so there will not be any destruction of property.

Mr. WHITTINGTON. Mr. Chairman, I withdraw the point of order.

Mr. WICKERSHAM. Mr. Chairman, this is an amendment which merely removes the word "destroy." Some of the Members have pointed out that carcasses have no value. I know of no instance in which any piece of property has absolutely no value. Even carcasses have value for rendering purposes. Many of you have made complaints because property has been destroyed. I offer this amendment for the consideration of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

On page 32, after line 17, insert "The Administrator and each owning agency shall give first priority for purchase on not to exceed 25 percent of all surplus dirt-moving machinery and equipment to soil conservation districts and other public agencies authorized to carry out soil and moisture and forestry conservation, drainage, irrigation, and flood control; or to regularly establish retail dealers of such machinery and equipment for direct resale exclusively to soil conservation districts or other public agencies authorized to carry out soil and moisture and forestry conservation, drainage, irrigation, and flood control."

Mr. JENSEN. Mr. Chairman, on last Friday, after the amendment of the gentleman from Texas [Mr. Poage] failed to carry, I attempted to introduce an amendment similar to this one, but the section had been passed, and consequently it was objected to on that ground. Since that time I have consulted with officers in the Soil Conservation Service relative to this amendment, and I can assure the Members of the House that this amendment is now agreeable to them. As you know, the Soil Conservation Service is doing a wonderful job. There are now 1,122 soil-conservation districts organized in these United States as of August 1, in 45 States of the Union. There are two States which have not yet passed legislation establishing soil-conservation districts in their respective States. In those 1,122 districts there are 628,000,000 acres of land and 2,924,391 operating farm units or a total of approximately 55 percent of all the tillable land, or land that can be made productive by proper soil-conservation practices in the United States which is now in soil-conservation districts and districts are being organized at a rapid rate. I venture to say that within the next year there will be at least 1,500 to 1,600 districts organized. This amendment will make not to exceed more than 25 percent of all the surplus dirt-moving machinery and equipment available to soil-conservation districts and to other agencies whose duty it is to conserve soil and moisture and forestry,

irrigation and flood control. The administration and each owning agency shall give first priority for purchases on not to exceed 25 percent of all surplus dirt-moving machinery. Then, also, if it is not possible for the district to finance such purchases, they can go to their retail dealers, their regularly established retail dealers in such machinery and equipment, who can purchase same from the Government and must sell it directly to such agencies as the Soil Conservation Service and other agencies for public improvements. That leaves 75 percent, at least, of all the machinery that can be sold to other people and for other uses. So there should be no objection by anyone to this amendment. This amendment will do three things. It will put this machinery where it belongs, to conserve our natural resources. Also it will aid in giving employment to men when they come back from the service. In addition it will dispose in one lump sum of a great block of this surplus machinery which is going to be a burden to manufacturers; consequently they will get into production of new machinery more quickly.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTINGTON. If the gentleman's amendment is adopted, would it not deprive the Congress of the power to determine how much money should be made available for such purchases, because it commits us definitely to acquiring not less than 25 percent when we might not need 5 percent.

Mr. JENSEN. I want to remind the gentleman from Mississippi that if 5 percent is all that is needed then only 5 percent will be purchased, leaving the other 95 percent to be purchased by others and for other uses.

Let me assure my colleagues that many hundreds of soil conservationists will take advantage of this privilege of acquiring this machinery if my amendment is made law. Thirteen of the fourteen counties in my district are organized, and all of these 13 districts have appealed to me to help them get some of this equipment and machinery, as other districts have appealed to their representatives in Congress, for the sole purpose of conservation of our precious soil on which we all depend to keep us well fed, well clad, and well housed today for 5 years, 25 years, 50 years hence; yes, to insure our children and our children's children that they too might be well fed, well clad, and well housed. At least we can leave that much for which they will be thankful to us who are here today.

What I am trying to do with this amendment is to make sure that these agencies and the farmers are going to get up to 25 percent of this machinery.

Mr. WHITTINGTON. They cannot get any of it until Congress makes the money available.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. Jensen] has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that the time of the gentleman may be extended 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Do I understand the gentleman's amendment proposes that they shall give—

Mr. JENSEN. No, no.

Mr. KEEFE. It merely provides a specific priority, allowing them to purchase?

Mr. JENSEN. That is right.

Mr. KEEFE. Why is that not provided for in subsection (b) of section 11?

Mr. JENSEN. It is not plain. Frankly, I and many of my colleagues on both sides of the aisle are not satisfied with the wording of this bill.

Mr. WHITTINGTON. You would have a priority of 75 percent if you needed it.

Mr. JENSEN. Not first priority. Here is another thing. This gives the regularly established retail dealers in that equipment an opportunity to buy this material and to resell it to these agencies; where it is impossible for those agencies to raise the money all at one time the dealer can arrange to finance some through their regular financial connections, thus assuring their farmer customers of availing themselves of this very necessary equipment.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am very much in favor of the amendment offered by the gentleman from Iowa [Mr. Jensen]. Up until July 1944, I did not know very much about soil conservation. I do not propose to know a lot about it now, but I spent 2 days last month going around with men who are interested in soil conservation in Marion County, Iowa. I presume I was on 25 farms that have gone on what the soil conservationists call the contour system. That was new to me. I did not understand what it meant. I can best explain it to Members of the House by calling your attention to the hills in Virginia, West Virginia, Maryland, and part of Pennsylvania. As you drive through those hills and you look up and see the cultivated portion, and from there on up to the top it is woods, you know that is nothing but soil conservation. Soil conservation by necessity in this country, because the steepness of the hills prevented them from clearing the land to the top of the hill and cultivating it. Therefore, the trees, the foliage, and the grass up there have prevented the erosion of those hills, and have made the lower part of the hill good for cultivation.

You know out West, where we have rolling country, long slopes and no timber, they have been cultivating clear over the top, down into the next valley for years and years. Many of the farmers knew nothing about plowing on contour or cultivating on contour. They are just as likely to go straight up the hill and down; and the more furrows on a farm, the more rivulets there are to drain the soil down to the bottom level, and good soil for years has been washed down



into the valleys and on into the Gulf of Mexico.

Mr. CASE. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from South Dakota.

Mr. CASE. The gentleman in order to explain soil conservation and contour farming need only look at the way the seats are arranged in this Chamber.

Mr. CUNNINGHAM. Except that we do not have any floods or high waters here.

Mr. CASE. Contour plowing is to run the furrows like the seats are arranged here—in circles, rather than on the level.

Mr. CUNNINGHAM. It is just as old as time, as the gentleman says, and it has been used, of necessity, by many farmers; but unfortunately, in many parts of the country they never knew about it, because they never needed to put it into effect.

The soil conservationists in this particular county, at an expense of about only \$15,000 a year are going around and educating the farmers to the advantage of contouring their farms. In addition to that, you will find the farmer will have a strip of corn at the bottom, then 5 or 10 rods of alfalfa or clover, and then another strip of corn, and then another strip of alfalfa, and clear up to the top there is another strip of corn. I went on farms that were contoured that way, and this alfalfa or clover or whatever was planted to prevent the water from washing away the topsoil; and I found the corn in those patches to be much better than corn in fields adjacent to it that had not been contoured, and that were all planted to corn. The result in bushels per acre will be much greater on the farm that is contoured than one that is not contoured.

Mr. CURTIS. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Nebraska.

Mr. CURTIS. I have been very much interested in the gentleman's description of the Soil Conservation Service. It might also be well to point out that the plan being operated is one calling for considerable local control.

Mr. CUNNINGHAM. That is right.

Mr. CURTIS. Local responsibility.

Mr. CUNNINGHAM. That is right, and local instruction.

Mr. CURTIS. And the Government not doing it all, but doing things to help the farmers to help themselves, to preserve our soil.

Mr. CUNNINGHAM. That is what the amendment offered by the gentleman from Iowa [Mr. JENSEN] will do. The local committee, boards of supervisors, are ready to purchase the machinery to help the farmer. Many people think that soil conservation is simply the digging of lakes and making of ponds artificially. The great bulk of work that is done is actually preventing the washing of the soil down into the Gulf of Mexico.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am heartily in favor of the pending amendment. I wish I

had time to recite some of the multiple benefits manifest all over the district I represent that have been wrought by the soil-conservation program and the use of the machinery which this amendment would make available again. But these points have been covered in general in this debate, and verified by your own experience and observation in your own districts. So I invite your attention to another problem that needs and deserves your thoughtful aid in bringing to solution. That problem is to assure the utilization of the U. S. O. buildings and recreation centers after the war has been won.

In addition to those who are now and have been enjoying the use of such facilities there will be millions of veterans coming back home. Unless these morale-building centers be preserved and kept functioning for the benefit of those who will then constitute their greatly increased responsibility and challenge, we shall have failed them. Let these institutions go out of business, or their service become impaired, and bitter fruit will be borne. They have rendered invaluable service. It must be continued.

We thought enough of this need to provide these facilities for the few—should they be denied the many? Should we run the risk of permitting the homecoming boys and the present beneficiaries to be dependent upon the grace of the commercial world, or of inadequate public places, for the many personal conveniences now so gladly furnished in these home-like places? Remember, if innocent pleasures be not available, vicious ones will be made so, commercially.

I am told this may not be germane to this bill. I have studied it very carefully and discussed it at length. It may more properly come in as an amendment to the Lanham Act, under the provisions of which the money for such services was largely invested by Uncle Sam. I submit, however, that no matter what legislative way may be decided upon, the Congress should take care of the situation and provide adequate legislation to serve this perfectly apparent need.

They may be operated by their own municipalities, or by the agencies now operating them, or by the American Legion or some similar organization. But these facilities should be made available for the returning veterans and for the others, who helped win the war by service on the home front.

May I ask the chairman of the committee, and my distinguished colleague from Alabama, whether or not such an amendment to the pending bill would be in order? Or, would it be more advisable to offer such an amendment to the Lanham Act? I have discussed the matter with the distinguished author of the Lanham Act. He tells me he thinks it would be better to offer it to the Lanham Act and that his committee would be glad to give it consideration. Are you, Mr. Chairman, of the same opinion?

Mr. MANASCO. I did not understand the gentleman's question.

Mr. HOBBS. Is the gentleman of the opinion that such an amendment would

be more properly offered to the Lanham Act than to this bill?

Mr. MANASCO. The gentleman means for the disposition of these facilities, and so forth?

Mr. HOBBS. As the Government may have an interest in them.

Mr. MANASCO. I think so; yes.

Mr. HOBBS. The gentleman does not believe this bill should be so amended?

Mr. MANASCO. I do not believe so.

Mr. HOBBS. Then I hope the members of this committee will join with me and others of similar mind so that the boys coming home may have the facilities which were originally designed for them and for war workers on the home front as well, and that we may not order them sold, but that we may retain them for the post-war use.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MANASCO. Mr. Chairman, I wonder if we can reach an agreement as to time on this amendment? I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, I desire 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. KEEFE. I object.

The CHAIRMAN. Objection is heard.

Mr. ROWE. Mr. Chairman, I move to strike out the last two words merely for the purpose of asking the sponsor of the amendment a question. I believe his amendment provides that 25 percent of the earth-moving machinery shall be set aside for the purpose of soil conservation.

Mr. JENSEN. Not to exceed 25 percent.

Mr. ROWE. Not more than 25 percent. My question is: If the total of these services to which the gentleman referred required but 10 percent of the amount available, and none of us know how much is available, what is to happen to the 15 percent remaining from what was set aside exclusively for their use?

Mr. JENSEN. We are trying to take care of that now in an amendment we are working on.

Mr. ROWE. I wanted to have the gentleman's suggestion. I do not want to substitute or add anything to the amendment. If the amount of machinery set aside and made available to these different services the gentleman referred to is needed and will be used, that will be all right, but to set aside a large quantity of this machinery in excess of what will be used means that it will just rust away to no good end whatsoever.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. MILLER of Connecticut. Is this amendment necessary at all? It seems to me that under section 11 these agencies have every opportunity to buy this dirt-moving machinery or anything else they might want to buy. I doubt the wisdom of setting aside 25 percent for one purpose with no knowledge as to whether they need 25 percent, 5 percent, or 15 percent.



Mr. ROWE. The very reason for my being in favor of the amendment with proper safeguards is that these different services may not be fully aware of their needs for this machinery or its being available to them, and I do not want them to be precluded. It is now the property of the Government of the United States or the taxpayers and if it can be put to use in these services that have been mentioned it seems to me the best and greatest utilization will be realized. I am willing that they set aside what is necessary to fill their needs, to give a full opportunity to the different services to obtain what is necessary. Then I think we shall have accomplished all we can.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. CASE. The gentleman from Iowa is working on a modification of the Jensen amendment to provide that notice of the offer should be addressed to the Soil Conservation Service and that it be extended priority or option which if not exercised within 50 days would expire.

Mr. ROWE. A limitation of time.

Mr. CASE. That would accomplish the purpose of the gentleman from Ohio.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. WHITTINGTON. Is it not true that under section 11 of the bill the Soil Conservation Service would have the right to acquire not 25 percent but as much of this property as they could show justification for?

Mr. ROWE. I approve of the gentleman's amendment with the limitation of 50 days. Under it there will be no impairment of section 11 and the Soil Conservation districts will be apprised of their privileges under the rules for disposing of this property.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I yield.

Mr. JENSEN. I may answer the observation of the gentleman from Mississippi by saying that there is no assurance that these Soil Conservation districts are going to get this machinery direct. It is very apt to be sold in a big lot, go through three or four hands, and then they have to pay a tremendous price for it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COLMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MANASCO. Mr. Chairman, in an effort to reach an agreement as to limitation of debate on this amendment I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. COLMER. Mr. Chairman, this is another instance of seeking priority for

one group over certain other groups, and, as I tried to say the other day, when you do that you are upsetting the even keel upon which the structure of this ship, if I made use that figure, is laid out. They are asking here for priority on 25 percent of this property for the Soil Conservation Service. Everybody agrees that soil conservation is a good thing, but we also agree that streets, and roads, and other improvements are good things, and we put them all on an equal footing in the bill. But if you adopt this amendment, then you put this agency out ahead of your municipalities, your counties, your highway-assistance programs, and every other deserving agency and institution that would need some of the material.

But I want to go further than that, I want to say that I believe the gentleman's amendment is a crippling amendment. In addition to that, if his amendment be adopted, they would be limited to the 25 percent.

Mr. JENSEN. No. If the gentleman will yield, that is not a fair statement. Will the gentleman yield? I know the gentleman does not want to make a misstatement of that kind.

Mr. COLMER. I do not, of course, want to make a misstatement.

Mr. JENSEN. The gentleman knows that my amendment gives—

Mr. COLMER. I take the gentlemen's word for it. What does the gentleman's amendment do?

Mr. JENSEN. It gives them priority on not to exceed 25 percent. They have the same right as anybody else to the other 75 percent.

Mr. COLMER. I accept the correction; there is no argument then about that; I just misunderstood the proposition the gentleman had advanced. But what I want to say to the gentleman is that under section (b) they have an opportunity now to do that; not only that but we place—

Mr. JENSEN. Let me say a word about that.

Mr. COLMER. I hope the gentleman will let me have a little of my time. Under the provisions of the bill the Department of Agriculture has an opportunity to acquire its legitimate needs. In addition to that we place the Secretary of Agriculture on the advisory board and he will be there to see that they get whatever they need.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to my friend from Alabama.

Mr. MANASCO. Is it not also true that the War Department has taken from our counties road-building machinery when they needed it? They contributed or sold it to the Government.

Mr. JENSEN. Let us be fair; will the gentleman yield?

Mr. COLMER. I cannot yield; I am sorry; I want a little of this time.

Mr. JENSEN. Will the gentleman yield?

Mr. COLMER. I cannot; I am sorry.

Mr. JENSEN. I wish to correct the gentleman.

Mr. COLMER. I am sorry but I cannot yield. The gentleman is very per-

sistent in his views, but we too have some views about this matter; we want to keep this bill on an even keel, as I say. If you single out one agency what justification have you not to give the same right to others? Then, if you give priority to all of them you are right back where you started. They have priority under this bill to acquire this property for a normal sum on credit or in any way they want, except they are not given priority over everybody else, and that is the thing we do not want to do here.

Mr. Chairman, I hope the amendment will be defeated.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN to the amendment offered by Mr. JENSEN: Add the following: "Provided, That when said machinery is ready for sale notice thereof shall be directed to the soil conservation agency in the Agricultural Department and within 50 days from the date of such notice such priority shall be exercised."

Mr. H. CARL ANDERSEN. Mr. Chairman, the gentleman from Iowa [Mr. JENSEN] and I feel that the perfecting amendment offered by myself should convince all of you that his amendment is fair and the logical thing to do with a portion of the huge available amount of dirt-moving equipment. We all know without argument that the farmers of America will be required to feed the 130,000,000 people in America and to feed those also in dire need throughout the world. I do not think the gentleman from Iowa [Mr. JENSEN] is asking of you very much in his amendment in which he simply provides that the soil conservation districts shall be given priority to the extent of 25 percent, if necessary, as to the dirt-moving machinery available. What better use could this machinery be placed to than to the preservation of our soils?

Mr. JENSEN. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa. He is always doing what he can to help the farmers of his State and of our Nation.

Mr. JENSEN. I also include such other public agencies authorized to carry out soil, moisture, and forestry conservation, as well as drainage, irrigation, and flood control.

Mr. H. CARL ANDERSEN. Mr. Chairman, I repeat that the gentleman from Iowa [Mr. JENSEN] is very modest in his request. Each and every one of you may wake up some day and find that much of the lifeblood of our Nation in the form of the fertility of its soil has gone down the streams of America into the oceans and that our great midwestern farm lands have become depleted because of our failure to recognize this great loss of our soil, so gradual and yet so continuous in its effects.

There is nothing whatsoever in the amendment offered by the gentleman from Iowa that will possibly do anybody any harm and it may do an awful lot of good. Why is not agriculture to be given any consideration in this bill? Surely the people on the farms of the Nation



will pay much of the taxes necessary to originally purchase a large part of this war equipment. Our farm people are among the leaders in the Nation in buying bonds, in giving their boys to the armed services, and agriculture works two times as long hours as many of the C. I. O. unions advocate working. Good soil-conservation practices will help American agriculture carry its part of the huge war effort needed from all of us for victory.

Mr. GOSSETT. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Texas.

Mr. GOSSETT. I have been wondering whether the gentleman's amendment providing a 25-percent allotment to the Soil Conservation Service, means 25 percent of the number of pieces or 25 percent by volume or price. How is he going to apply that 25 percent?

Mr. H. CARL ANDERSEN. That is merely a technicality and is entirely up to the Administrator. Let us not draw any red herrings across this worth-while amendment.

When you men and women from the cities vote upon this proposition please remember it is not simply a farmer's problem, it is not simply a problem that relates to the people who till the soil; it is a problem for all of us to solve. It is up to all of us to do everything we possibly can to preserve that precious soil which is really America's birthright, and without which our great Nation will become decadent. All new wealth comes from the earth and we must preserve the richness of that earth.

Mr. Chairman, I sincerely hope the committee will be kind enough to agree to Mr. JENSEN's amendment, as perfected by the amendment I have just offered.

Mr. STEFAN. Will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Nebraska, one of the best friends in Congress of agriculture.

Mr. STEFAN. The gentleman will also tell the Committee that the farmers in the Middle West are very, very desirous of securing some kind of machinery in order to continue their operations. Right now they are short of all kinds of machinery and, in spite of the fact that floods have come to that part of the country, they are unable to get machinery at this particular time. They are unable to get the machinery with which to repair the damage that has been done by the floods.

Mr. H. CARL ANDERSEN. The gentleman is right. The farmer today in my district is lacking in labor and is short of much-needed farm machinery, and yet he, as good Americans always do, is working longer hours than ever to produce the food that must be produced; food which is just as much a munition of war as it is of peace.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] to the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. JENSEN), there were—ayes 29, noes 43.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and on a division (demanded by Mr. MANASCO), there were—ayes 50, noes 56.

Mr. JENSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MANASCO and Mr. JENSEN to act as tellers.

The committee again divided; and the tellers reported there were—ayes 65, noes 69.

So the amendment was rejected.

Mr. MANASCO. Mr. Chairman, there are five amendments to section 10 at the desk. Fifty minutes will give 10 minutes on each amendment. I ask unanimous consent that all debate on section 10 and all amendments thereto close in 50 minutes.

Mr. CASE. Mr. Chairman, reserving the right to object, will the understanding be then that the author of each amendment will have 5 minutes and that there will be 5 minutes allowed in opposition?

Mr. MANASCO. Yes; that the committee will have 5 minutes to close debate.

Mr. ROLPH. Mr. Chairman, reserving the right to object, I have a pro forma amendment which is not at the Clerk's desk and I would like to have 5 minutes on it.

The CHAIRMAN. Not unless it is one of the five at the desk now, under the request just made.

Mr. MOTT. Mr. Chairman, reserving the right to object, some of us know neither the nature nor the importance of the pending amendments. I have an amendment at the desk, and at least two gentlemen have said that they would like to have time on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. MOTT. I object.

Mr. ROLPH. I object.

Mr. MANASCO. Mr. Chairman, I move that all debate on section 10 and all amendments thereto close in 50 minutes, the author of each amendment to have 5 minutes and those opposed 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. MOTT), there were—ayes 61, noes 8.

So the motion was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Page 32, line 11, insert a new subsection as follows:

"(d) The Administrator shall provide for uniform, complete, and wide public notice concerning surplus property available for disposition, and no such property shall be

disposed of unless and until such public notice has been given and sufficient time been allowed between such notice and disposition to afford interested parties fair opportunity to purchase it."

Mr. VOORHIS of California. Mr. Chairman, this is the third amendment that I have offered to this bill. Every single one of those amendments was an attempt to make definite, specific, and mandatory, an objective which the committee itself had put into the bill in discretionary form. This is the third time I have tried to do that. The real issue here is as to whether or not the Congress wants to make a speech about this matter or whether it wants to pass a law. The people who have been concerned about administrative law and all its related problems ought, I think, to support an amendment which says exactly what the Congress wants the Administrator to do and tells him to do it. I do not think anyone will disagree with the fact that it is altogether practical for the Administrator to give uniform, complete, and wide public notice concerning the surplus property available for distribution. I have not said specifically how he is to do it. I have not tied him down to any one method of doing it, but he is to give uniform, complete, and wide public notice. In the course of a short time everybody will know how that is going to be done. It can be done either by notice in the press, by notice in the post offices or in some other orderly way. At this very moment all kinds of inquiries are being made by people wanting to know where they can go to find out about this property. There ought to be a definite, specific method outlined whereby they can find out, and properties ought not to be sold until after that public notice has been given. I know somebody will probably rise in opposition to my amendment and say, "You are going to tie the Administrator's hands so that he cannot sell any of this property until he is given this wide public notice." Yes; I will do that, Mr. Chairman. That is precisely what I want to do, and in the long run, you will be glad you did it, if you adopt this amendment. It simply means that every sale of any piece of this surplus property is going to be carried on in the full view of the American people, which means that you will avoid the possibility of any of this stuff being sold when the people of America do not know that it is being done.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Should not there be a provision in the gentleman's amendment providing for perishable property? I advocated that kind of an amendment in committee. I think it is good, but I am wondering if the gentleman's amendment provides that it shall not apply to perishables.

Mr. VOORHIS of California. I would be willing to accept an amendment to that effect. I believe that as a matter of actual fact it is altogether possible



to give public notice even as to the sale of perishable commodities.

Miss SUMNER of Illinois. I believe the gentleman has an excellent amendment.

Mr. VOORHIS of California. I believe if the Administrator sent out word to the press associations he would have notice given all over the Nation in a day. I do not think it is any great problem, and I think we want to say in this House that this shall be done this way.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Does not the gentleman believe it would be better to provide for uniform notices within a State, because the States have different plans of public notice? Would it not be better to confine it to a State if the property is being sold there?

Mr. VOORHIS of California. If the property is being disposed of in a certain area, of course it would apply to that area. There is no use of giving notice in New York City if you are going to sell a building down in the gentleman's district in Louisiana.

Mr. ALLEN of Louisiana. My point is that if you are going to sell it in Louisiana, should you not make that notice in accordance with the usual custom of Louisiana?

Mr. VOORHIS of California. I should think so, yes; but my amendment does not tie the Administrator to any specific method of doing it.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. As against what the gentleman from Louisiana said, you may have something which is of such great value that notice should be given in several States, for instance, where you are selling a large stock of goods.

Mr. VOORHIS of California. That is correct, of course. The most important thing the Congress can do in connection with this bill is to provide that this whole job shall be done in the sight of the American people. Your trouble is not going to come on deals so made that everybody knows what happens; it is only going to come in cases where something is sold that nobody knows about and where the facts are not made public.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Illinois.

Mr. CHURCH. I realize the gentleman is serious about this problem, and so was the committee. The intent is good, but the gentleman admits that he himself would want to confine this notice, perhaps, in some cases to a State. Suppose the goods are all over the country rather than in a particular State?

Mr. VOORHIS of California. I believe the amendment leaves in the Administrator sufficient discretion not to give notice all over the country where it is purely a local matter, but does require him to give wide, uniform, and complete public notice about the sale of this property.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I rise in opposition to the amendment and hope that it will not prevail. May I point out some of the reasons why it seems to me the effect of the amendment would not be salutary.

In the first place, the amendment provides that the Administrator shall provide "uniform, complete, and wide public notice." I do not see how it would be possible to have a uniform public notice of articles which might be for sale all over the country. When you talk about complete public notice, I am frankly at a loss to know what the word "complete" means. When is a public notice complete and when is it incomplete?

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. VOORHIS of California. In the language the committee wrote in the bill itself it is provided in subsection (e) of section 11 that he shall provide as far as practicable for uniform and wide public notice. The only thing I added was the word "complete."

Mr. HALE. That is what I object to. I do not know what complete public notice is. When is a public notice complete? Is it complete when it is in a newspaper with a wide circulation and incomplete when it is in a newspaper with a small circulation? You get into distinctions which are so intangible that I think they involve you in nothing but difficulty.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. WRIGHT. I would think the notice would be complete if it contained all the necessary data and details of the proposed sale.

Mr. VOORHIS of California. Precisely.

Mr. HALE. I do not agree with the gentleman, because I think the test of completeness is not the form of the notice but the number of people it reaches.

No such property shall be disposed of unless and until such public notice has been given—

So the sale is apparently an illegal sale until you determine whether the public notice has been "uniform, complete, and wide"—

and sufficient time been allowed between such notice and disposition to afford interested parties fair opportunity to purchase it.

How much time is "sufficient"? What is an "interested party," and what is a "fair opportunity"? Does an "interested party" mean somebody who might want to buy or only persons with an actual intent to buy which might be realizable?

It seems to me that when you go beyond making merely precatory, or, if you care to call them that, pious recitals of intention as provided in the bill, and try to make mandatory universal rules as to the form of notice, you get into grave difficulty, you endanger the legality of sales, and you accomplish a good deal more harm than good.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. WHITTINGTON. By making the law mandatory, as the gentleman says, you would subject the Administrator to injunction suits, and you would delay the disposition of the property.

Mr. HALE. You would give rise to a good deal of litigation, you would protract the process of sale, and in my judgment you would be likely to sacrifice the financial interests of the Government.

Mr. WHITTINGTON. You make uniform the notice for sales of property. Under the laws of practically all the States of the Union you have one kind of notice for the disposal of personal property, another kind for the disposal of real estate, and a different kind for the disposal of various classes of property. It would handicap the Administrator so that it would be impossible for him to carry out the provisions of the bill.

Mr. HALE. I fully agree with the gentleman.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. VOORHIS of California. Of course, the Administrator would use those forms of notice which were customary as to each kind of property. Furthermore, the wider the notice about the availability of this surplus property the less likelihood there is of the Government's losing money. It seems to me that is perfectly clear.

Mr. HALE. We all agree that a wide public notice is desirable, but when you make mandatory a provision of this kind, it seems to me, you imperil the legality of the sale.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Miss SUMNER of Illinois. Notice in the Federal Register would be better than nothing. If people who were interested knew the notice was going to appear in the Federal Register and would read it, that ought to be sufficient.

Mr. HALE. If the gentleman from Illinois regards notice in the Federal Register as either "complete" or "wide," her constituents read the Federal Register much more widely than mine do. I do not read it myself.

Miss SUMNER of Illinois. If they considered that a place to look for advertisements, they might be more apt to read it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Voorhis].

The question was taken; and on a division (demanded by Mr. Voorhis of California) there were—yeas 39, noes 40.

Mr. VOORHIS of California. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. CASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE: On page 31, lines 16 to 18, strike out the words "notwithstanding the provisions of any other law but subject to the provisions of this act."



Mr. CASE. Mr. Chairman, I hope every member of the committee will listen carefully while I read section 10 as it is in the bill and then read the language that I propose to strike out, and follow the meaning. Section 10 starts out:

Wherever any Government agency is authorized to dispose of property under this act, then, notwithstanding the provisions of any other law but subject to the provisions of this act, the agency may dispose of such property by sale—

And so forth. My amendment proposes to strike out the words "notwithstanding the provisions of any other law but subject to the provisions of this act."

The section would then read:

Wherever any Government agency is authorized to dispose of property under this act, then the agency may dispose of such property—

And so forth. The reason for striking out the language "notwithstanding the provisions of any other law" is to avoid doing something we do not know anything about. We have specific statutes on the law books today restricting the rights of certain agencies to declare surpluses or restricting their rights to dispose of surplus property. We have been passing those laws recently. When we got into the program of naval building, the gentleman from Washington will recall that his Committee on Naval Affairs brought in a bill here to place a restriction upon the disposition or sale of any capital ships except by act of Congress.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. CASE. I will yield very briefly.

Mr. LANHAM. There is also a law with respect to the disposition of surplus real property to the effect that cities and other governmental subdivisions may have a certain preference, and priority and reduced rates at which they may acquire certain property if it is to be used for general public purposes. Would not this nullify the force of that law?

Mr. CASE. It seems to me that it would. Ordinarily we require that the Ramseyer rule be complied with and that a repeal of any law be stated in the report. Of course, this is not a specific repealer, but its effect is to nullify every statute on the books which contains such a limitation. We placed such a limitation in the military appropriation bill passed here just a couple of months ago at the request of the gentleman from Texas [Mr. KILDAY]. That prohibition reads as follows:

*Provided further,* That notwithstanding any other provisions of law, the Secretary of War shall not be authorized to sell any military post or reservation nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post or reservation nor any part thereof surplus for disposition by any other officer, board, or commission.

That was adopted just a couple of months ago with a reservation as to transfers to the Veterans' Administration, and we specifically restricted the authority of the Secretary of War to declare any military post as surplus, retaining for Congress, if you please, the right to pass upon specific transfers or dis-

position of military property of that character just as was proposed in the bill reported by the Committee on Naval Affairs. The language in the bill, however, would say notwithstanding the provisions of this law which was passed and approved here as late as the 28th of June, the Secretary of War could be given authority to declare surplus any military post; the Secretary of the Navy would be given authority to dispose of capital battleships; and I do not know what other statutes may be involved.

We have talked during this debate about the powers of bureaus and about retaining the powers of Congress. Clearly if the Congress many times has specifically reserved to itself the right to make disposition of the major pieces of governmental property, then we ought not unknowingly here cast aside all of those restrictions and toss it over to a bureau.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. MOTT. There is a law in the statute books specifically prohibiting the sale of any naval vessel to a foreign government. That law would also be nullified.

Mr. CASE. That is correct.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield.

Mr. MAGNUSON. I may say that the gentleman from South Dakota and the gentleman from Oregon and myself have a similar amendment at the Clerk's desk to take care of these objections.

Mr. CASE. Yes; I would like to see the gentleman's amendment adopted to preserve an existing statute. That applies directly to the Navy Department. I have read a section referring to the military department. The gentleman from Texas has called attention to the housing situation. We do not know how many laws might be nullified if we leave this language in the bill. The safe thing to do is to take it out and that will still leave the bill saying that when any agency is authorized by this act to dispose of property it may so act, but will not give it a blanket power to nullify specific laws designed to reserve certain decisions to the Congress. Mr. Chairman, I hope the amendment is adopted.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. My thought is that the gentleman has given the best illustration that might be given as to why his proposed amendment would be crippling and why it should not be adopted. In the first place, this army camp which he refers to could not be disposed of unless the Army declared it to be surplus. If there is any reason why the camp should be declared to be surplus, which has arisen since the act was passed 2 years ago or 3 years ago, it would be for the Army to decide. It is fundamental in this bill that no property of any kind in the War Department and the Navy Department or any other department can be disposed of unless the agency that has charge of that property, for whose functioning the Congress provided the property, declares it to be surplus. In other words, not-

withstanding the fact that some member of the Committee on Appropriations, interested in a camp, had a qualifying proviso put in there 20 years ago, if it were necessary in the view of the department, either the Department of War or the Department of the Navy, that that property was no longer essential for the national defense, it could be declared surplus. It could now be declared surplus, notwithstanding the fact that that provision was inserted in some buried statute.

Mr. CASE. Mr. Chairman, will the gentleman yield for a correction?

Mr. WHITTINGTON. Mr. Chairman, in just a moment I will be glad to yield, but may I make this statement first? Section 10 provides that the Administrator shall dispose of property notwithstanding any other provisions of the law in connection with this act, provided the property is declared to be surplus by the Army, in the case that the gentleman referred to. Moreover, this provision is to be taken in connection with section 21 of the bill, and I would like for the Members to turn to that section which provides:

"This act shall not impair or affect any authority for the disposition of property under any other law," except that the Administrator may prescribe the regulations to govern in the disposition of property under such law. In other words, this law is supplemental to such laws. If Congress has heretofore provided the use to which surplus property should be put, the Administrator is restricted now in this law, to providing the regulations to make good that use. In other words, this statute which we are considering is in addition to laws which have heretofore been passed as to the disposition of surplus property. If we can trust the War Department with \$90,000,000,000 in one appropriation bill and the Navy Department with \$40,000,000,000 in one appropriation bill: If we can trust these two Departments of our Government when they come back to us voluntarily and say, "We do not need \$16,000,000,000," or "We do not need \$13,000,000,000 for the prosecution of the war," can we not trust, as we do in this bill, those same agencies now when they ascertain that a field here or a fort there having served its purpose, to declare that property surplus so that property may then be disposed of by the Administrator for the purpose stipulated in the act, and if there be no different purpose provided, the proceeds shall be turned into the Treasury?

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield for the question of the gentleman, please.

Mr. MAGNUSON. We are trying to do in our amendment exactly what the gentleman suggests.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. MAGNUSON. The question is, If the Secretary of the Navy should declare a battleship surplus under this act, he could sell those battleships, could he not?

Mr. WHITTINGTON. Why, certainly, and if the Secretary of the Navy and the admirals should surrender to the



enemy, they could do that also. But we know that will not happen.

Mr. MAGNUSON. We saw what happened in the twenties. That is what will happen again.

Mr. WHITTINGTON. Does the gentleman advocate taking the power which the Secretary of the Navy must have for waging war away from him, because he might abuse the power?

Mr. MAGNUSON. Congress passed a law taking that power away from him and we do not want it repeated.

Mr. WHITTINGTON. The surplus property can only be disposed of when it is declared to be surplus by the Army or the Navy or other Governmental agency. Mr. Chairman, I trust that the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. MOTT. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 31, line 22, after the word "proper" change the period to a colon and insert the following: "Provided, That no naval vessel, station, establishment or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility, shall be made unless the Congress by law shall authorize it: *Provided, further*, That the Navy Department shall be the sole disposal agency for all naval property."

Mr. MOTT. Mr. Chairman, I am very glad indeed that the amendment offered by the gentleman from South Dakota [Mr. CASE] was agreed to. I appreciate the excellent argument the gentleman made upon his own amendment, because it is equally applicable to the amendment which I have just offered and which, in my opinion, is necessary for the protection and preservation of our Navy.

Contrary to what the gentleman from Mississippi [Mr. WHITTINGTON] has told you, it has never been the policy of the Congress to vest in either the Secretary of War or the Secretary of the Navy the disposal of Army or Navy property. On the contrary, for a hundred years this Congress has refused to grant the departments this discretionary power. For a hundred years the Congress has surrounded the disposition of Navy property with the most rigid restrictions.

The Navy cannot now, and it never could, sell any ship without coming to the Congress and getting specific authority to do it. The Navy cannot now, and it never could, sell a ship to any foreign government under any circumstances. Existing law forbids it. When the Navy recently wanted to dispose of some of its yachts and small vessels which it had bought for the emergency from private owners it had to come before the Naval Affairs Committee of the House, present its case and have a law passed by Congress in order to dispose of that property. That is what it has always done.

But, Mr. Chairman, if this bill is passed, without the amendment I have offered, notwithstanding what was said by the gentleman from Mississippi [Mr. WHITTINGTON], there would then be nothing to preclude the Administrator and the disposal agency from declaring a hundred of our destroyers or submarines or airplane carriers to be surplus, and to sell them as such to any foreign government which the Administrator pleased to sell them to.

Under section 10 of the bill as now written, whenever any Government agency is authorized to dispose of property under this act, then, and notwithstanding the provisions of any other law, the agency may dispose of such property by sale, exchange, lease, or transfer, upon any terms it pleases and to whomever it pleases, including foreign governments.

The purpose of my amendment is to prohibit the vesting of any such blanket authority and discretion in any executive agency, and to retain in the Congress the entire authority in this field—an authority which it now has and which it has always had, and which I trust it may never surrender.

May I again direct attention to the language of my amendment, which reads:

*Provided*, That no naval vessel, station, establishment, or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all naval property.

There are people now who advocate dividing up this Navy of ours amongst some of the other nations of the world. When this war is concluded we will have a Navy more powerful than the navies of all the nations of the world combined. For my own part, I want to keep it so. No matter what kind of an agreement or association of nations we may enter into after this war for preserving the peace, and I heartily favor those agreements and associations, the greatest assurance we have now of keeping this country out of future wars is the possession and ownership of something we never had before; a Navy larger than the navies of all other nations put together and a Navy larger than any combination of those nations can ever bring against us. If that Navy is ever diminished, if any ship, any navy yard, any facility, any naval establishment, any shore station, is ever to be disposed of for any reason I want the decision upon that vital question to rest in the Congress of the United States where it has rested for 144 years, and not in the discretion of any one man or of any executive agency of the Government.

Mr. MAGNUSON. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. MAGNUSON. Of course, the gentleman is speaking the sentiments of the

entire Naval Affairs Committee when we passed the law in 1942.

Mr. MOTT. Certainly.

Mr. MAGNUSON. That no combat ship could be disposed of without the consent of Congress.

Mr. MOTT. Yes. The Navy cannot sell any naval vessel, either combat or auxiliary, without the consent of Congress.

The entire authority of the Navy either to acquire or to dispose of its property rests with the Congress and, as I have said, the Congress has surrounded these transactions with the most rigid, restrictive, and sometimes prohibitory law. All of this law would be wiped out by section 10 of this bill.

Mr. WRIGHT. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. WRIGHT. The last phrase of the gentleman's amendment says that the Navy shall be the sole disposal agency of property?

Mr. MOTT. Of naval property. Yes.

Mr. WRIGHT. Would that include a hundred cans of beans?

Mr. MOTT. My amendment has to do with the sale, exchange, lease, transfer, or other disposal of naval vessels, naval stations, naval establishments, and naval facilities. They must be disposed of, if at all, in accordance with existing law or law hereafter enacted by the Congress. As for the sale of other naval property, such as the gentleman mentioned, that would be sold under the provisions of the proposed act the same as any other similar surplus property. In that respect the part of the amendment to which the gentleman refers merely provides that the Navy Department, and not some other department, shall be the disposal agency for its own property.

Mr. LANHAM. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. LANHAM. Will the gentleman amplify what is meant by the word "facility"?

Mr. MOTT. A navy yard, a naval hospital, the naval gun factory at Washington, the naval airplane factory at Philadelphia, the naval model basin in Maryland, the naval observatory here in the District, anything which the Navy owns and operates and which is necessary in the naval operations or maintenance. The term "facility" is sometimes synonymous with station, but not always. It has, however, a definite meaning in the Navy and I think it should be included along with vessels, stations, and establishments. We want none of these facilities sold, exchanged, leased, or otherwise disposed of without specific authorization by the Congress.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. MANASCO. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Oregon.

The Clerk read as follows:

Amendment offered by Mr. MANASCO as a substitute for the amendment offered by Mr. MOTT: On page 31, line 22, after the word "proper" change the period to a colon and



insert the following: "Provided, That no vessel under the control of the Department of the Navy shall, unless the Secretary of the Navy has found such vessel not to be a combat ship or naval auxiliary, or has found it to be based on commercial design or susceptible of commercial usage, be disposed of under this act until the expiration of 30 days after notice of the proposed disposal of the vessel has been sent to the Committee on Naval Affairs of the Senate and to the Committee on Naval Affairs of the House of Representatives."

Mr. MANASCO. Mr. Chairman, my amendment differs from the amendment offered by the gentleman from Oregon [Mr. MOTT]. My amendment includes only combat vessels, and that keeps control of our Navy in the Congress. The Navy Department is financed with millions and millions of plants that manufacture airplane engines, airplanes, and other equipment throughout the United States, and if the amendment offered by the gentleman from Oregon [Mr. MOTT] is adopted, and another amendment similar to that is offered for the War Department, then there would be no surplus-property legislation.

Mr. MOTT. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MOTT. What is the gentleman's definition of "a naval facility"? It is the word "facility" to which the gentleman objects.

Mr. MANASCO. I would call a plant—

Mr. MOTT. Owned by the Navy.

Mr. MANASCO. Owned by the Navy.

Mr. MOTT. The Naval Gun Factory down here is a facility.

Mr. MANASCO. And the aircraft factory near St. Louis.

Mr. MOTT. It is owned by the Navy. It is a naval facility.

Mr. MANASCO. The aircraft factory near St. Louis is financed by the Navy Department. If we want the United States Government to continue in business in competition with private industry we should not have any surplus property disposal bill. We should appropriate enough money to operate these plants.

Mr. MOTT. Let me ask the gentleman one question.

Mr. MANASCO. I am for just as big a Navy, and have been all my life, as is the gentleman from Oregon. I hope the day never comes when the Congress of the United States ever sinks another combat vessel.

Mr. MOTT. The gentleman is thoroughly familiar with the philosophy behind my amendment, that the disposal of naval property of this class, including vessels, establishments, and stations should be vested in the Congress and in the Congress alone, as it has existed for 140 years. The gentleman's amendment leaves that power vested in the Navy Department alone.

Mr. MANASCO. My amendment leaves it in the hands of Congress. I do not think you will find a Navy man who would favor sinking a single combat vessel. I have heard a lot of talk about our sinking the Navy. The Navy Department fought it the last time.

Mr. MOTT. The gentleman's amendment simply proposes that 30 days before

the sale or other disposition, the disposal agency shall report it to the Naval Affairs Committee of the House and the Senate, which would have no jurisdiction whatever.

Mr. MANASCO. And, knowing the members of the Naval Affairs Committee, as I know them, there would never be any crooked work go on.

Mr. MOTT. Does the gentleman's amendment give the Committee on Naval Affairs any authority to do anything about it?

Mr. MANASCO. The Congress could pass any law it wanted to. The Congress itself has authority to declare everything that the Navy Department has, as surplus, if it wanted to do it.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WHITTINGTON. If the amendment offered by the gentleman from Oregon is adopted, then there would be an absolute prohibition to declaring surplus any of the property of the Navy. Much of the 2,000,000 acres of land which the Navy has acquired, whether in Alabama or in Oregon or in my State, could not be declared surplus.

In my judgment, if that amendment is adopted the Navy would be prohibited from declaring as surplus any land they may have wherever located.

Mr. MOTT. Does the gentleman know of any Navy Department surplus land?

Mr. WHITTINGTON. And there will be none unless the Navy declares it to be surplus.

Mr. MANASCO. It must be declared surplus before it can be disposed of. That is the reason it provides for a veto power.

Mr. MOTT. No; there is no veto power.

Mr. MANASCO. This does not have anything to do with airplane plants, or airfields. It might be in Minnesota, North Dakota, Oregon—I sincerely trust this committee will adopt this substitute because if it does not and the War Department is taken out from the provisions of the bill, we will not have any surplus property bill, but will have to operate under the over 100 statutes we are operating under today for the disposition of surplus property; there will be no orderly disposal.

Mr. MOTT. But I call the gentleman's attention to the fact that there are very great differences between a military and naval establishment. A naval establishment is a permanent thing built to be permanent; it has to be built over years and years and years; it cannot be built overnight.

Mr. MANASCO. An aircraft factory operated by the Army is no different from an aircraft factory operated by the Navy.

Mr. WHITTINGTON. And if it is the permanent property of the Navy it would have to be declared surplus.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. MANASCO) there were—ayes 26, noes 40.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Oregon.

The amendment was agreed to.

The Clerk read as follows:

#### POLICIES GOVERNING DISPOSITION

SEC. 11. In formulating regulations to govern the care and handling and disposition of surplus property under this act, the Administrator shall be guided by the objectives stated in section 1 of this act, and shall give effect to the following policies to the extent feasible, and in the public interest:

(a) To facilitate transfers of surplus property of one Government agency to other Government agencies for their use.

(b) To afford public, governmental (educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations, an opportunity to fulfill their legitimate needs.

(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

(d) To encourage and foster post-war employment opportunities.

(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection.

(f) To afford former owners of surplus real property acquired by the Government by the exercise of its war powers an opportunity to reacquire such property.

(g) To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets.

(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(i) To prevent insofar as possible unusual and excessive profits being made out of surplus property.

(j) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this act.

Mr. ROBERTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON: On page 33, line 5, after the words "District of Columbia" insert "Volunteer fire companies."

Mr. ROBERTSON. Mr. Chairman, this amendment adds volunteer fire companies to the tax-supported agencies who are listed after the Federal agencies as having priority to purchase surplus properties to meet their needs. It will not cost the Government anything. It may save the Government some money, because city fire departments and volunteer fire departments are the only ones in the market for heavy fire equipment like fire engines. Indi-



viduals do not buy them and they do not permit volunteer fire companies to have a chance. It has been denied to them to a large extent during the war effort to get badly needed equipment before that equipment goes back to the manufacturer from which the volunteer company would then have to buy at a greatly increased cost.

When the chairman of the committee was explaining this bill I asked him if he thought volunteer fire companies were covered by the language of this section. He thought they were. Then I found in the committee report on section 11 it referred to tax-supported agencies. A volunteer fire company—and we have them, I believe, in all the States of the Union—render a public service and they do it in a very efficient and unselfish way, but they are not tax-supported in many of the States. Boards of supervisors can contribute to them, but most of their funds come from private subscriptions and from suppers and things the ladies' auxiliary gives to help support such an enterprise.

I feel that this privilege that is supposed to be extended to the volunteer fire companies will not only serve a very fine public service but it will be a graceful act on our part to recognize a group of men that have been in existence since colonial times. Some of you may not realize that Benjamin Franklin organized the first fire department in Pennsylvania, a volunteer fire company in Philadelphia. George Washington was a member of the volunteer fire company of Alexandria. He learned about the engine that Benjamin Franklin was using and he went to Philadelphia and got one of those machines, paid \$400 for it, and gave it to Alexandria. They still have that engine; it is one of their priceless relics.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. WHITTINGTON. When the bill was reported in final form the phrase "tax-supported institutions" was eliminated. Does not the gentleman believe the volunteer fire companies would be covered by the phrase "public institutions?"

Mr. ROBERTSON. Possibly so; but if it is the intention that they be included what is the objection to their being mentioned specifically? It is an amendment to which in my judgment no one can object. The committee said they did not object to the amendment. They thought such provision was already in the bill.

Mr. WHITTINGTON. Frankly I do not see any objection to the gentleman's amendment.

Mr. ROBERTSON. I think we should be specific; I think it should be in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: On page 33, strike out subsection "(e)", begin-

ning on line 13, and through line 24 inclusive, and insert in lieu thereof the following:

"(e) To afford business concerns, both small and large, opportunities to purchase surplus property on equal terms; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to protect established business concerns against unfair Government competition by utilizing commercial channels of distribution in lieu of making direct sales to consumers so long as a demand for the item in question exists in established commercial channels; to refuse to sell to speculators or persons who would freeze surpluses in large quantities for any purpose whatsoever except in those cases where a thorough testing of markets shows that said surpluses cannot be disposed of through established trade channels; to prohibit the reimportation into the United States of any surpluses sold for export."

Mr. HALLECK. Mr. Chairman, may I suggest at the outset that this amendment is not the product of any particular conviction or views of my own individually, but, rather, the product of the studied and careful consideration of the House Committee on Small Business. The amendment is addressed to section 11 which contains the policies established by the Congress for the guidance of the Administrator and the disposal agencies in the disposition of this property. As was pointed out the other day, these policies are not mandatory. They are directive, to be followed to the extent feasible in the carrying out of the act. For myself, I should have liked to have written mandatory statements of policy in the act, but that did not seem to be the proper thing to do; however, I am convinced that we should make the statements of policy as definite and as explicit as we can in order that there be no opportunity for alleged misunderstanding as to what the Congress meant when the bill was written.

Mr. HOPE. Will the gentleman yield for one question?

Mr. HALLECK. I yield to the gentleman.

Mr. HOPE. The gentleman states that the purpose is to prohibit the reimportation of property sold for export, but it does not include property that might be sold abroad. Does not the gentleman think he should include property that might be sold abroad because a very large proportion of the property that is likely to be reimported is abroad at this time, as I understand it?

Mr. HALLECK. I shall comment on that at this point in my statement. I had expected to talk about that a little later, but since the gentleman has brought it up I shall discuss it at this time. I take it that if they sell the goods for export, they would be so exported. After they are so exported, and it has been assumed that those goods are sent out of the domestic channels of trade without their importation or reimportation back into this country, the bringing of those goods back into this country should be prohibited. My view is that the language of the amendment covers that proposition. It certainly

goes much further than the language of the bill, because as I read the bill there is nothing at all in that regard in it.

Mr. HOPE. The point I have in mind is that a very large proportion of the goods that may be sold is going to be abroad. They are located abroad now. Does the gentleman think that we ought to permit the reimportation of those goods into this country?

Mr. HALLECK. The gentleman is talking about something else. This has to do with goods that are sold for export. That necessarily means exported from this country. It would have no application to the goods that were taken abroad during the conduct of the war, goods that are presently abroad or will be abroad and as to which it might be decided that someone wanted to bring them back to this country for sale. This applies only to goods that are sold for export. They are sold for export from this country. It necessarily contemplates goods only within this country because they could not be sold for export otherwise.

Mr. HOPE. I understand the limitation, but does not the gentleman think we ought to prohibit the reentry into this country of goods that are now abroad, which may be sold abroad and which may be brought back into this country?

Mr. HALLECK. The goods which are now abroad have not been sold abroad unless they have been sold under lease or in some other way. They have not been sold, and if they have been there is no title in those goods in the United States. Hence they would not be included as surplus property to be disposed of under this bill. As far as I am personally concerned, I do not want to prevent the bringing back into this country of goods that the Government may presently have abroad or which the Government may have abroad when the war ends, if it is deemed desirable to bring those goods back and sell them here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Miss SUMNER of Illinois. Mr. Chairman, would the gentleman mind having the amendment read again?

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Will that be taken out of my time?

Miss SUMNER of Illinois. The gentleman may ask unanimous consent at the end of his speech to have it reread.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent that the Halleck amendment be reread and that the time necessary to read it not to be taken out of the gentleman's additional 5 minutes, because this is an important amendment.



The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. Vorys]?

There was no objection.

The Clerk reread the Halleck amendment.

Mr. COCHRAN. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. COCHRAN. May I call the gentleman's attention to the fact that there is included in the committee's language farmer and agricultural enterprises. I notice the gentleman has not that language.

Mr. HALLECK. That is right.

Mr. COCHRAN. To me this amendment is something worded in different form from the committee's amendment, with an addition or two.

Mr. HALLECK. Mr. Chairman, if I may be permitted, I should like to proceed with my statement about the amendment. Then if I can get some more time I shall be glad to yield to anyone for a question.

Mr. Chairman, I have listened to the debate on this bill, I have studied the bill, I have heard the expressions and the views of Members and of interested people all across the country. To my mind the issue that we must squarely meet is whether we are going to dispose of a large part of these goods through a gigantic bureaucracy set-up by the Federal Government to go into the retail business, or we are going to say that we are not going to do it that way, that we are going to use the commercial channels of trade, the regularly established business enterprises of the country, the retailers and distributors, and through them, wherever it is possible to do so, see to it that these goods go to the ultimate consumer. There are provisions made for cooperative organizations and for certain other governmental or quasi-governmental organizations to get preferences under the bill, but so far as the ultimate consumer is concerned, my view is that all consumers should be treated share and share alike and that the goods should move through the established trade channels.

The gentleman from Missouri referred to the provisions of the bill. I read the first clause. I do not know just what all is contemplated in "agricultural enterprises." My view is that if, under the language of my amendment, we afford business concerns, both small and large, equal opportunities to acquire these goods on equal terms, then that is all anyone could ask. In other words, I think that we are all pretty well agreed that we are not in favor of the Government undertaking to carry on direct sales to the ultimate end consumer and certainly not where the commercial channels of trade can do the job. This to me means maintaining our present system of free enterprise. It means a continuation of good service. And I am fairly convinced that all persons believing in our present economic system, including farmers and others engaged in agriculture, want that system preserved by such a plan as I propose. My amendment has the same language identically

as the committee bill in respect to notice. My amendment, as I have pointed out, is a very distinct strengthening of the requirements for the utilization of the commercial channels of trade, private enterprise, and the free distribution system of the country that we presently have in existence.

There is some language in the committee bill that I am frank to confess I do not understand, and I do not think anyone knows what it means. This is it: "to collaborate with Smaller War Plants Corporation." What does it mean to "collaborate" with an agency? As a member of the Small Business Committee, I vigorously supported the legislation that set up the Smaller War Plants Corporation, but if you will recall that was a corporation set up to aid the small plants of the country in getting into the war effort and to bring into war production the facilities of the small agencies. With all due regard to the Smaller War Plants Corporation, I do not want to write language into this bill that might provide an opening as wide as a barn door for the Administrator and the disposal agencies to switch small war plants over into a gigantic disposal agency to carry on a direct retail selling effort to the consumers of the country.

May I also refer to the last clause of the bill which reads "and to employ other appropriate means to give effect to this subsection." To my mind, that just opens the door as wide as it could be opened, and I do not believe that that is what the Congress wants to do.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HALLECK. I have, of course, as all of you have, a solicitude for the welfare particularly of small business, and, so far as that is concerned, of all of the component parts of our great system of distribution. I am not urging this amendment and these policies alone because I am solicitous for these people, but primarily because I am completely convinced that the Government will get the largest amount of money for its goods if it sold that way. The goods will be more efficiently channeled to the people who really should get them. They will move more speedily. They will be better serviced. On the whole, in fact, a better job will be done for the Government, the taxpayers, the consumers and everyone who is interested in this problem. Many of our businessmen in the distribution field have been sorely pressed during this war. The goods that were formerly on their shelves are not there now. These men have carried on, doing the best they could in the war effort; carrying on, yes, for the coming of that brighter day when goods again will be available and when businessmen can devote their interests and their talents and their best abilities to the great job of distribution that must be carried on efficiently and well if we

are to maintain this great system of ours in this country.

Hence, does it not follow that we ought to give them every possible consideration in the disposal of these surplus goods and allow them to place on their shelves the goods that will be available as surplus? We should help tide them over for the coming of that day when normal channels of production will again be started going, while at the same time we safeguard the interests of the taxpayer.

I am informed that Mr. Clayton, who is the present Administrator under the Executive order, has frequently expressed himself as favoring the distribution of the goods in this manner. I have confidence in Mr. Clayton. I do not know whether he is going to be the Administrator of this act or not. I do not know any reason why I should suspect what his future policies might be, but I am thoroughly convinced that now is the time for the Congress of the United States to hammer it down; to nail it down so effectively and so directly and definitely that there can be no misunderstanding as to what we expected and wanted when we put this legislation on the books.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. POULSON. As I understand the reading of that amendment, it states that this property is to be run through the regularly accepted commercial channels, whether it be large or small. In substance, is that not what it says?

Mr. HALLECK. In substance, that is true.

Mr. POULSON. Does the gentleman not realize that the greater portion of this surplus will be what we call used, second-hand, and that it will not be of the regular commercial type? It will be large cans, for instance, which will definitely, according to our accepted channels, go to the junk dealer and to the second-hand man.

Mr. HALLECK. Let me comment on that. I think the gentleman is a little in error. There will be, for instance, used motor vehicles for sale. There are many automobile dealers in this country who deal in used cars that have held on through the tough times. I cannot see any reason why the vehicular equipment could not be handled through those channels. It is provided in my amendment that if those channels cannot move the goods, then these other methods shall be resorted to. There also will be many used machine tools. There are vast numbers of people in this country who are in the used-machine-tool business. I say that they know best how to utilize those machine tools; they know best what they are worth; they know best where the market for them is; they can get more money for them than anyone else; they can get them into the hands of the people who need them more rapidly than can any bureaucracy that might be set up in Washington to attempt to do the job.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.



Mr. TABER. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. The last part of the gentleman's amendment reads, "prohibit the reimportation into the United States of any surpluses sold for export." I do not understand that language. May I ask the gentleman to explain that a little bit and how it would work, and what authority they would have?

Mr. HALLECK. My understanding is that after World War No. 1 there was a lot of soup that was surplus in this country, and so it was decided to sell much of it abroad. It was sold abroad at a rather cheap price. If I am in error about this, the members of the committee may correct me. After it was sold abroad, and it had been assumed that it was out of this country and off of this market, a lot of that soup turned up in this country and was sold at a considerable margin of profit which was, of course, a reimportation of goods sold for export and then resold abroad for return to the United States.

I have understood—and if I am in error about this the committee may correct me—that no objection was raised to the inclusion of such a prohibition in this bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I would say that the committee has repeatedly stated in the debate that under the terms of the bill the Administrator has the power to prohibit reimportation to accomplish the objectives of the bill, but I think it is a little too broad a statement to say that the committee is agreeable to an absolute prohibition. Further, we asked the Administrator, who stated that he had the power to prevent the reimportation, to give us some language so that we could insert it in the bill, and he suggested language to be inserted in section 20 of the bill rather than the pending section, to the effect that he might have affirmatively, on the face of the bill, power to regulate and prevent the reimportation, but he stated that he thought that to put a mandatory provision in the bill would lead to retaliatory measures and would not be wise.

Mr. HALLECK. I thank the gentleman from Mississippi for his clarification. My understanding about it was not quite correct. I would only say that these policies are directive and not mandatory. They are to be followed where feasible and in the public interest. Certainly, to my mind, this is not going any too far in respect to the prohibition against reimportation.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Dakota.

Mr. CASE. It strikes me that the difficulty is that the Administrator is not a Customs official. How he will prohibit

the reimportation is not clear to me. I am wondering if the gentleman would think that this language would accomplish his purpose, in place of the clause about prohibiting the reimportation into the United States of any surpluses sold for export:

To require guaranties from purchasers that surplus goods sold abroad or sold for export shall not be offered for resale in the United States.

Mr. HALLECK. My view about that is that under this language the Administrator would be implemented by the express policy of the Congress. I think the regulation he might make, whether or not he followed that pattern, would certainly be more effective than the recommended language of the Administrator which was given to us just a moment ago by the gentleman from Mississippi. I would assume the Administrator himself thought that he would have the power under permissive language such as that suggested.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana to the amendment offered by Mr. HALLECK: On page 1, line 2 of the Halleck amendment, after the semicolon following the word "terms" add the following: "To enable smaller business concerns, farmers, and agricultural enterprises to acquire single units of surplus property, the Administrator shall take proper steps to see to it that such smaller business concerns, farmers, and agricultural enterprises may have full opportunity to acquire individual units of surplus property at the same unit price paid by those buying larger quantities."

Mr. ALLEN of Louisiana. Mr. Chairman, I really preferred not to offer my amendment as an amendment to the amendment offered by the gentleman from Indiana [Mr. HALLECK]. I wanted to offer it as an amendment to paragraph (e) on page 33, and it is because of the parliamentary situation that I have to offer it at this time as an amendment to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

What I am seeking to do by this amendment is this, and I especially invite the attention of those who represent farming sections. I have had to face this many times, and you have, too. If this bill passes in its present form, or if it passes with the amendment offered by the gentleman from Indiana [Mr. HALLECK], you will have to face the proposition that your farmers will not be able to buy trucks, jeeps, and so forth, without paying somebody a big profit. They will not be able to get them, and you may as well face that fact, because this equipment is going to be bought up in large lots, with the result that the individual farmer back on the small farm will not be able to buy single items without paying large profits to somebody who has bought large quantities.

I have on my desk a letter from a farmer asking my help in getting him a truck. I cannot get one, and the farmer cannot get it, and under this bill I am afraid the farmers will not be able to get them at fair prices.

I know the opposition to this amendment will say that the Administrator can sell a single unit if he wants to. Yes; but I doubt he does it unless you make him do it. You can put that down. I repeat that I doubt the Administrator will sell a farmer a single unit unless we write mandatory language into this bill. Therefore, I propose to write that mandatory language into the bill.

The gentleman from Indiana in his amendment to paragraph (e) on page 33, states that we will sell them on equal terms. What do you mean here by equal terms? Here is what will happen. The Administrator through his representative will offer for sale, say, 5,000 trucks. Sure the terms are the same to all bidders, but how can a small farmer bid on 5,000 trucks? What chance has he got? That is what you mean by equal terms. The terms technically may be equal, but the opportunities are not the same. You simply practically shut out the small businessman and farmer by offering too many at a time.

Where is the equality of opportunity to purchase when you offer for sale 5,000 trucks, or 5,000 jeeps, or similarly large quantities of such material as may be used on the farm? You claim in this bill that you are giving these small businessmen and farmers equality. Certainly not equality to purchase, unless you offer to sell them a quantity small enough to meet their needs and pocketbook. The people I am speaking for here do not have the need for more than a single unit, in most cases, and do not have the money to purchase more, in many cases.

You say that you will sell them on equal terms. You cannot equalize the terms unless you make it possible for that man to buy a single unit. I know of no other way you can put the small businessman and farmer on an equality with the large bidders out of New York and elsewhere than to require the sale of single units of such things as jeeps, trucks, and other machinery usable on the farm and at the same unit price the big purchaser pays for big lots. That is precisely what my amendment seeks to do. I stress the point that you not only must require the sale of single units in order to bring about equality and justice, but those single-unit sales must take place at the same unit price the man pays who comes down from New York and buys thousands of trucks, jeeps, or other items.

My amendment deals with the proposition of farmers, small business concerns, and agricultural enterprises. Most of the returning servicemen are embraced in that group.

The bill under consideration states that it will be the policy—

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

But, as I have pointed out, how are you going to bring that about unless you make it mandatory that he sell a single unit to these groups at the unit price? You have simply set forth something that means little. If your objective is to put these small businessmen and farmers on equal footing with the big



New York purchasers, and big purchasers from elsewhere, I have pointed out the way that that can be done, and I do not see how you can bring about absolute justice otherwise.

I emphasize again that there is no way in the world to put a small farmer on equality with the man who is buying many thousands of trucks, unless you permit that farmer to buy one truck or one jeep. The answer the committee will put up is that he can do that under the bill, but I reiterate that the Administrator is not going to do it, and what you propose to make permissive, I propose to make mandatory. Unless you put teeth into this legislation, you will probably find your expressions of desire flagrantly violated. Now is the time to put it down in black and white.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Indiana.

Mr. HALLECK. I have great solicitude for the farmers and great solicitude for the little fellow running a corner grocery store who might want to buy a jeep to deliver his groceries. There are many individuals who need this equipment. But does not the gentleman agree with me that as a matter of principle and policy we will do a much better job if we channel these goods through the regular channels of trade, giving to the individual his right to purchase the equipment through that normal channel of distribution, rather than to set up a great governmental agency that would necessarily have to have a great selling force to go out and find individual consumers and sell this equipment to them?

Mr. ALLEN of Louisiana. I do not agree with a proposition that will keep my farmers from buying a single truck, unless they go and pay some dealer who is able to buy thousands and thousands at tremendous profit. These big dealers in the North and East will buy up most of this stuff and unless we take steps here and now to help these small businessmen and farmers to get these trucks and jeeps without paying excessive profits, I am afraid they will not get them. These men I am speaking for have put their tax money into this material also, and when they are sold at far less than the Government paid for them, that saving should be passed on to these small businessmen and farmers who are least able to pay. Hold down the profits of the big fellow and pass on to the small man some of the benefits.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Would the gentleman explain to the Committee how he would have this farmer of his buy a jeep or one particular second-hand article?

Mr. ALLEN of Louisiana. In my district there are four large Army camps. They have jeeps down there now and trucks that the farmers ought to be able to purchase. What is wrong with a farmer going there and picking out a jeep or truck and paying for it at the same unit price the big purchaser pays?

Why cannot that be done? The Army has somebody there. It will be an easy matter to tell the farmer what the unit price is. The trucks and jeeps have been discarded, in a way, but when the farmer goes down there to buy them, he cannot buy them.

I took this matter up with the Procurement Division here and said, "Why do you not sell this man a truck? He has the money, and he wants to buy a truck. Why can you not sell it to him?" They said, "We cannot sell it to him that way, we have to sell these jeeps and trucks in big lots."

That means you cut the farmer out because he cannot buy thousands. The farmer needs this help. He has had little labor, he has had no machinery, and he has been expected to produce, and he has produced even more than he has produced in normal times.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. VORYS of Ohio. Will the gentleman tell what a farmer in my district is going to do, where we do not have any army cantonments with a lot of jeeps?

Mr. ALLEN of Louisiana. I am trying to make it possible for the gentleman's farmers to go somewhere and buy a single unit. If you do not want them to buy a single unit, without having to pay somebody big profits, then vote against my amendment.

But if you really want the farmers to have a chance, then vote for it. Some have been talking on the floor here and talking loudly for the farmer and for small business. We have a small businessman's committee, headed by the gentleman from Texas [Mr. PATMAN], and we have been talking about helping the small businessman, these small businessmen and these little fellows at the crossroads. Now you have your chance to do it. But if you do not pass an amendment such as this amendment, if you do not pass some mandatory provision like this one, you are going to put these men I am speaking for at a great disadvantage. During this war the big concerns of the Nation have had the bulk of the contracts. My amendment will help lighten the load for the little man in the post-war era. It is far better to help millions of farmers and small businessmen than to put large profits into the pockets of a few. I urge the adoption of my amendment.

The CHAIRMAN. The gentleman from California is recognized.

Mr. ROLPH. Mr. Chairman, in my opinion the gentleman who just spoke is not thinking for the best interest of the farmer when he insists that farmers should be able to buy single jeeps. How will the farmer have that jeep serviced if he buys direct from the Government? Is he coming to Washington even if he bought it here or from one of the regional offices throughout the Nation? Furthermore, how in the world can a

small businessman, a small automobile dealer, or truck dealer in these small communities possibly exist if he does not participate in the sales? For years he has serviced the farmers in his district and he cannot continue in business unless he figures in these sales. It will be necessary for him to have a stock of parts; it will be necessary for him to have mechanics. If you leave that to the individual farmer, I want to tell you he simply is going to be up against it. Any of you gentlemen who have ever bought an orphan automobile know exactly the position that the farmer will be in. I am interested in the amendment offered by the gentleman from Indiana and now under consideration.

I refer particularly to subsection (e) of section 11 which reads as follows:

To afford smaller business concerns, farmers and agricultural enterprises generally, an opportunity to acquire surplus property on equal terms with larger competitors.

If I understand the intent of Congress, we intend to protect the small businessman, and also to protect the channels of trade as they have been operating in this country for decades—the way merchandise is regularly sold from jobber to retailer and from retailer to individual buyer. The farmer goes to town and he goes to the grocery store and goes to the hardware store or goes to the automobile dealer for his merchandise. If you bypass the dealer in these individual small communities you are simply going to interfere with the normal channels of trade and interfere with the economy of this country. Every business house in the United States is expected to take back the men who went to the service. If you change the normal flow of business, it will be utterly impossible for those business houses to hold jobs open for the men when they come back. I think we ought not to do anything in the world in passing this legislation to interfere with the normal course of business. Let us protect the small business concerns, as we have stated we intend to do time and time again.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 5 minutes being reserved to the Committee.

Mr. HOLIFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Does that mean all amendments to section 11, or just to subsection (e)?

Mr. WHITTINGTON. No; to this amendment and all amendments thereto.

Mr. WRIGHT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WRIGHT. Mr. Chairman, the amendment offered by the gentleman from Louisiana, I believe, was offered as a substitute?

The CHAIRMAN. No; it is an amendment to the amendment offered by the gentleman from Indiana.



Mr. WRIGHT. Then another amendment to the amendment would not be in order at this time?

The CHAIRMAN. The amendment pending of the gentleman from Louisiana would have to be disposed of first.

Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CHAIRMAN. The gentleman from Washington [Mr. JACKSON] is recognized.

Mr. JACKSON. Mr. Chairman, I would like to ask the distinguished gentleman from Indiana whether under the provisions of his amendment to section (e) farm cooperatives as such would be included in the language "business concerns."

Mr. HALLECK. Of course, I am convinced that any regularly organized farm cooperative is a business concern. The Farm Bureau operates cooperative distribution agencies in my district. They are organized. I say they are business concerns. But beyond that, of course, there is specific provision for cooperative organizations contained in subparagraph (b) of section 11.

Mr. JACKSON. That is on the statement of policy.

Mr. HALLECK. Yes. Of course, this amendment which I have offered, referring to subsection (e), likewise has to do with the statement of policy. But in direct answer to the gentleman I would say that a regularly organized cooperative association doing business as a business concern would clearly be contemplated by the language in my amendment.

Mr. JACKSON. The reason I ask the question is, in the State of Washington the Grange, in particular, operates a number of cooperatives to purchase various commodities that are needed for the farmers and they are vitally interested in this matter. The gentleman from Washington [Mr. MAGNUSON] is also concerned about this. This particular problem was presented to us recently by the Washington State Grange and other interested farm groups. We are concerned lest they be excluded from this particular provision of the bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me further?

Mr. JACKSON. Yes; I will be glad to yield.

Mr. HALLECK. I am not familiar with all of the cooperative organizations, but I am quite sure I know the type of organization to which the gentleman refers. To my mind whether a business is run by 100 owners or by 1 owner, it is still a business concern; it is buying barbed wire and all sorts of material and in turn reselling them to the individual consumers.

Mr. JACKSON. The reason I ask that question is that it is my understanding that the present Administrator of surplus property has ruled that a farm cooperative is not eligible to purchase surplus Government commodities. Am I correct in that? Does the chairman of the committee know?

Mr. WHITTINGTON. In what respect? Under what law does the gentleman mean?

Mr. JACKSON. I do not know. I understand it is merely by administrative ruling. He has ruled he will not permit farm cooperatives to purchase surplus Government commodities.

Mr. WHITTINGTON. That is one of the many things that I do not know. I cannot answer the gentleman's question.

Mr. JACKSON. That is why I am greatly concerned because they have declared that farm cooperatives have been denied the right to purchase surplus property.

Mr. HALLECK. Of course, if I may intervene again, the specific language contained in subsection (b) would certainly correct any such interpretation by the Administrator, if that stays in the bill.

Mr. JACKSON. I quite agree with the gentleman. I wanted to get that clear.

Mr. HALLECK. May I just say further, as far as the matter of trucks to farmers is concerned, the dealers have been getting these trucks and have been selling them through the farmers. That has been happening right along.

Mr. JACKSON. Yes; but I understand Mr. Clayton, and I may be wrong about this, has refused to permit the Grange organization in our State to participate in the sales of surplus property.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. Yes.

Mr. WHITTINGTON. If that be the gentleman's question—I thought he was speaking about the disposition of property under some other laws—I do not understand that under these rulings they would not have the right to purchase under the program and under the policies of the Surplus Property Administrator now in force.

Mr. JACKSON. He has so ruled. That is why I wanted to call the gentleman's attention to it. It is the opinion of the committee, is it not, that under the existing provisions of the bill which have been referred to by the gentleman from Indiana, that the farm cooperative organization would have the right to participate in this program?

Mr. WHITTINGTON. I think so.

Mr. JACKSON. I wanted to get it into the RECORD so that there would be no question about it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. MURDOCK. That means both classes, whether they are incorporated or unincorporated?

Mr. JACKSON. Yes.

Mr. MURDOCK. It would apply to both classes?

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized.

Mr. CASE. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The amendment offered by the gentleman from South Dakota is not in order until the amendment offered by the gentleman from Louisiana is disposed of.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the amendment be read for the information of the

Committee, without taking it out of the gentleman's time.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CASE to the Halleck amendment: Strike out the last clause, reading "to prohibit the reimportation in the United States of any surplus sold for export," and insert "to require guaranties from purchasers that surplus goods sold abroad or sold for export shall not be offered for resale in the United States."

Mr. CASE. Mr. Chairman, this amendment to the Halleck amendment does not in any sense cripple the Halleck amendment. It is merely different language, designed to accomplish the obvious purpose of the clause in the Halleck amendment, possibly more effectively.

Let me read them again. The Halleck amendment closes with these words:

To prohibit the reimportation in the United States of any surplus sold for export.

In other words, it would seek to give to the Administrator the power to prohibit reimportation of goods sold for export. Now, the question developed in the colloquies when the gentleman from Indiana [Mr. HALLECK] had the floor was how would the Administrator be able to prohibit reimportation unless he was clothed with the powers of a customs official?

Further than that, the language in the Halleck amendment applies only to surplus sold for export. The illustration which the gentleman from Indiana used applied to goods that were already abroad and were sold abroad. It is not clear how the language of his amendment would cover goods that were sold abroad, since it refers only to goods sold for export. Consequently, I suggest that to accomplish the intended purpose, the language be changed to read that the Administrator should "require guaranties from purchasers that surplus sold abroad or sold for export shall not be offered for resale in the United States."

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CASE. I yield.

Mr. WHITTINGTON. For that reason I suggested among other reasons, that the amendment I read to the gentleman from Indiana, which contains language to regulate, would accomplish the very thing the gentleman desires.

Mr. CASE. In any event I submit the language which I have submitted would be a valuable substitution in the Halleck amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEWART. Mr. Chairman, I have watched this bill very carefully. In my opinion, it is a speculator's bill. It has deprived the individual purchaser of the opportunity to acquire this property without paying many times the amount the Government receives for it.

To illustrate, they will sell jeeps by the acre, they will sell trucks likewise, tanks likewise. Possibly a jeep will sell in bulk lot at \$10. Perhaps there are a hundred men who would like to buy a jeep but they are told by the man who



is selling it, "you understand some of these are not in such good order but I will let you have this one for \$250." He turns loose that old salesmanship talk and the speculator will get the benefit of it.

We have lost out on our soil conservation amendments. We have lost out on our school amendments. I am not going along with this speculator's bill.

Mr. HALLECK. Will the gentleman yield?

Mr. STEWART. I yield.

Mr. HALLECK. Would the gentleman be in favor of setting up retail stores all across the country so that an individual could come in and buy a can of corn or a pair of rubber boots?

Mr. STEWART. A thousand times yes, in opposition to this measure. We have our demonstration agents in every county in the United States that can take care of the interests of the farmer if the matter has been given a little time and thought. The boy in the street who wants a truck, the laborer, the gravel hauler hauling for public hire, should have an opportunity, without having to pay some speculator a thousand or ten thousand percent profit upon the merchandise that is surplus.

Mr. COLMER. Will the gentleman yield?

Mr. STEWART. I yield.

Mr. COLMER. I judge from the gentleman's remarks that he does not approve of this bill.

Mr. STEWART. That is right.

Mr. COLMER. Has the gentleman any alternative? Has he any bill to propose?

Mr. STEWART. There have been a number of amendments that have been voted down and opposed by the Committee that would have made it a workable bill.

Mr. COLMER. Has the gentleman any suggestions now to make to the Congress as to what they should do to dispose of the property?

Mr. STEWART. You having had all the time, I am now given my first opportunity. If I had been recognized as many times as you have, possibly we would have had this in better shape.

Mr. COLMER. I am sorry the gentleman has not been recognized, and as far as I am concerned, I am willing to surrender my time to him and let him write it from here on. Will the gentleman accept that challenge?

Mr. STEWART. I will; yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. LARCADE. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Louisiana [Mr. ALLEN].

I come from one of the largest agricultural districts in the State of Louisiana. Rice is predominantly foremost in the agricultural products of that district. In the cultivation and harvesting of the rice crop it is necessary that we have very large machinery. It is a crop which requires the type of machinery that will be available under the war-surplus bill now under consideration.

I will not go into a discussion of the proposal, for the reason that my time is limited, but I do want to say that what

our farmers are interested in is being able to procure this desirable machinery and equipment with the least possible red tape, and that it will be available and it will be facilitated so that they will be able to buy single units if possible. So far as the manner in which it will be distributed and the channels through which it will be handled I am not so much concerned, but I want to see this bill worked out so that my farmers will be able to obtain this much needed equipment and that it will not be sold to them through the hands of speculators and highjackers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I have an amendment to the amendment offered by Mr. HALLECK. I ask unanimous consent that it may be reported for information at this time.

The CHAIRMAN. Without objection, the amendment to the amendment will be reported for the information of the Committee at this time.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. WRIGHT to the amendment offered by Mr. HALLECK: On page 33, at the end of the Halleck amendment, add the following:

"To collaborate with the Smaller War Plants Corporation in the development of procedures and policies which will insure that small business shall receive fair and equitable treatment in the acquisition, use, and disposal of surplus properties.

"The Smaller War Plants Corporation may, when in its judgment it becomes necessary in the protection of the interests of small business, certify to the Administrator or the owning or disposal agencies that certain property is required for the use of small business and request its allocation to the Smaller War Plants Corporation. On receipt of such certification and request, the Administrator or the appropriate owning or disposal agency shall allocate such property to the Smaller War Plants Corporation which shall become the disposal agency for such property with full power to sell, lease or exchange such property exclusively to small business concerns."

Mr. WRIGHT. Mr. Chairman, when we review the progress of business since sometime before the war we find that in the initial processes, large corporations obtained the major part of the Government contracts. I am quite sure the large corporations were not given those contracts through any desire to discriminate against smaller business, but it was mainly because the large corporations had their organizations and their plants, and they were able to fill the orders quickly. Speed and haste were of the essence. But then we began to find that our smaller business, upon whom we depend and whom we consider the backbone and bedrock of the American middle class, were beginning to suffer. It was the Smaller War Plants Corporation and this committee to aid small business, which had channeled a great many of these orders, and increased to an appreciable extent, the orders that were obtained by the small industrialists.

Mr. TABER. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. TABER. If your amendment were adopted we would not need any surplus property administrator at all. All we would do would be to turn the whole thing over to the Smaller War Plants Corporation.

Mr. WRIGHT. I disagree with the gentleman; it is only that particular portion of the property which could be used in these small plants. If the gentleman will let me continue for just a moment, I believe I can at least elaborate my thought whether he agrees with it or not.

As I say, it was the Smaller War Plants Corporation that organized these smaller companies who did not have their representatives in Washington, who did not have the means of getting the business and getting these contracts for our small industry. They did a good job. I feel they could do just as good a job in helping dispose of certain portions of this material which small industry needs but which they will not get if they are left to themselves, because they are not organized.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. VOORHIS of California. It seems to me the amendment can be explained in this way, that here is the one agency of the Government that in a positive way has attempted to protect small business. They have the facts and information better than anybody else; they know the particular type of property that would fit into small business and are in a position to do the job of protecting them in the reconversion period. I think it should be possible for the Smaller War Plants Corporation as a representative on behalf of small business to act as a disposal agency just the same as these other Government agencies are now acting. Then we will be sure that the benefit of this act will go to small business. Is that correct?

Mr. WRIGHT. I agree with the gentleman and I wish to thank him. As the gentleman from California says, we have had to fight insistently for the interest of the small businessman and the small manufacturer. This Smaller War Plants Corporation has constantly looked after their interests and had done a good job. Without such assistance the small businessman, the small manufacturer, will find it very difficult to meet competition because of the size of their competitors.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield further?

Mr. WRIGHT. I yield.

Mr. VOORHIS of California. Furthermore they have prepared the information as to what types of equipment are important for small business and have it better in hand than anybody else.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from California [Mr. HOLIFIELD] is recognized for 3½ minutes.

[Mr. HOLIFIELD asked and was given permission to revise and extend his own remarks.]

Mr. HOLIFIELD. Mr. Chairman, while I am in favor of practically everything in the Halleck amendment, I think



the Halleck amendment should be voted down not for what it says but for what it leaves unsaid. These different sections have been called to your attention and I want to comment briefly on the portion of his amendment which leaves out the collaboration with the Smaller War Plants Corporation.

The gentleman from Pennsylvania [Mr. WRIGHT] said that the Smaller War Plants Corporation was the only representative of small business. In my district the War and Navy Departments made no attempt whatsoever to spread the war contracts and I know that the Smaller War Plants Corporation was successful in spreading some \$90,000,000 of contracts in the Los Angeles Basin. Within the last month or two in the termination of contracts bill that we passed we carried over the Smaller War Plants Corporation as a function in the post-war era. The gentleman from Kansas [Mr. SCRIVNER] tried to get a review by Congress of some of those proposals but he was, of course, defeated. Possibly it was impractical, but it is not impractical to put the Smaller War Plants Corporation in here as a watchdog of this disposal problem for the benefit of small business. They have the facilities, they have the contacts with small business, and they can do the job in the post-war era for civilian reconversion the same as they did the job in spreading the war contracts during the war contract period. We need the same agency there to watch the disposal.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. For a question only; I yield.

Mr. TABER. The only thing the Smaller War Plants Corporation did up in my territory was to get small business out on a limb and saw it off.

Mr. HOLIFIELD. I cannot answer for the gentleman's district.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VOORHIS of California. The experience of the gentleman from New York is very different from what is reported in other parts of the country. As my colleague from California has said, the Smaller War Plants Corporation has been fighting the battle of the small businessman almost single-handedly and alone.

Mr. HOLIFIELD. That is exactly right.

Mr. ROLPH. Mr. Chairman, if the gentleman will yield I wish to add that they did the same thing in my district and were of great help to small business.

Mr. HOLIFIELD. The Smaller War Plants Corporation has done a fine job but in my district we are having trouble with the W. P. B. They show very little disposition to aid in the reconversion of those plants or the assignment of materials to them despite the fact there are large surpluses. The surplus commodities which under W. P. B. are generally headed up by Charles E. Wilson are being withheld from this reconversion on the Pacific Coast where plants are finishing their contracts, with the result that the labor in some of these plants

is dissipating, managerial talent is spreading out notwithstanding the fact that in many instances there are surplus materials which are not of a strategic nature which we should have if we are to reconvert. We should have some recognized agency of the Government do this job of watching to see that these properties be not disposed of to the big mass purchasers without the little man's being given a chance.

The CHAIRMAN. The time of the gentleman from California has expired. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 3½ minutes.

Mr. WHITTINGTON. Mr. Chairman, the fact that so many amendments have been offered to the amendment offered by the gentleman from Indiana, if he and the others will permit me to say so, shows how difficult it is to write legislation that is satisfactory to both sides of the aisle. In the circumstances I should like, for the committee, to call attention to three essential differences between the amendment offered by the gentleman from Indiana [Mr. HALLECK] and the language in the bill. I read the language of the bill:

To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors.

The language of the amendment offered by the gentleman from Indiana would insert:

Business concerns both small and large.

It eliminates any reference to farmers or agricultural enterprises—opportunity to purchase surplus property on equal terms so that they could replenish their stocks adversely affected by the war.

It strikes the committee that the language of the committee is more comprehensive and would really be fairer to all segments of the population, including both business and agriculture.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me at that point?

Mr. WHITTINGTON. I will yield in just a moment.

Secondly, the language of the committee bill reads:

To utilize the commercial channels of distribution to the extent consistent with efficient and economic distribution and to discourage disposition to speculators.

The language used by the gentleman from Indiana representing the small business committee is, and I quote:

To protect established business concerns against unfair methods of competition by utilizing commercial channels of distribution in lieu of making direct sales to consumers so long as the demand for the item exists in established commercial channels.

My feeling and that of the committee is that such language puts a strangle hold on the Administrator, that it gives existing channels a strangle hold and prevents the Administrator from making individual sales if he so desired to promote the objectives of the bill. It therefore strikes the committee that the language of the bill is still fairer and better.

And, finally, I call attention to this language:

To prohibit the reimportation into the United States of any surplus sold abroad.

The committee has been advised by the Secretary of State and the State Department—we have got to get along with our allies—that such a provision might lead to retaliatory legislation. I suggest language which I believe will accomplish the purpose of both the gentleman from Indiana and the gentleman from South Dakota, language I am perfectly willing to have inserted here or in section 20:

The Administrator shall regulate or prohibit the reentry into the United States of the surplus war property of United States origin disposed of for export from the United States whenever he deems such action necessary to accomplish the objectives and purposes of this act.

It is my thought that we want to utilize commercial channels as far as possible, but we must consider the effect the mandatory provisions of this amendment may have on the Voorhis amendment which has already been adopted by this committee. If the Administrator is satisfied that existing commercial channels want to monopolize then he ought to have the power and the right to dispose of property to consumers under the terms of the bill.

So it strikes us that the important objectives and policies of the bill will be preserved and could accomplish the purposes, the sincere purposes, of the gentleman from Indiana and the other gentlemen, including the gentleman from Louisiana and the gentleman from Pennsylvania if we vote down both the amendments to the amendment and the amendment offered by the gentleman from Indiana [Mr. HALLECK] and leave the language as it is in the bill, thus leaving the Smaller War Plants Corporation in the bill. In the end it ought to help small business.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

Mr. BROOKS. Mr. Chairman, for the immediate future, this bill is very important. In the sale and distribution of \$100,000,000,000 worth of surplus war goods, every section of the country is, of course, interested. In the handling of this matter, I am deeply concerned that it be handled on an equitable basis for the entire country. And this concern arises out of the criticisms which I have obtained from small businessmen as to the procedure most adapted to the much-desired end.

The first consideration in the sale of surplus war goods should be the matter of publicity. No merchandise should be sold without giving all prospective purchasers ample time in which to investigate the type, character, and quality of the merchandise to be sold and without giving every interested person an opportunity to file a bona fide bid for the portion of the property desired to be purchased.

Since there is such an enormous quantity of surplus war goods which



must be sold and distributed, there next comes the question of proper distribution according to areas in the United States. It would certainly be unfair to the people in the South and the West if the bulk of this merchandise were sold in the eastern section of the United States and likewise, it would be unfair to the East, were it sold entirely in the West. Each area of the country should be given an opportunity to buy a proportional amount of the surpluses depending upon population and upon normal need. Such might be done by regional offices or by local offices, but at any rate, a small businessman living in Louisiana should not have to come to Washington or go to New York City in order to complete a bid covering what he desires to buy.

This leads to another consideration of great concern to every one; namely, that the sales should be in reasonably small quantities wherever possible. It would not, of course, be possible to apply such a rule to the sale of a large merchant ship or to a large Army transport. As a general rule, however, surpluses may be broken down into moderately large quantities, and this will permit the small merchant in Texas or Nebraska to bid on a competitive basis for the desirable portion of the Government's surpluses which he desires to purchase.

It is more simple, of course, for the Government to "knock the bid down" to the firm which in one bid will take all of a given surplus at a stated time. One bid is easier to handle, requires less clerical work, and less investigation of the prospective purchaser as to credit risk. At the same time such a procedure will work directly into the hands of large businesses and will for a short and critical period in our future wreck many small business establishments. Fair treatment should be given to all who desire to bid, and fair consideration should be given the small bid as well as the large one. Within reasonable limits, the Government is not interested in whether it is more simple to accept one large bid than a number of small ones, but it is vitally interested in preserving the financial integrity and the future of the small businesses in the United States.

I would like to see that each farmer be permitted to purchase a jeep, a plow, or any other piece of machinery or equipment which he may need. If such can be worked out without the Government running a retail business all over the country, it would certainly be a fine service to render our farmers. I would like personally to see the returning serviceman permitted to purchase what few little things he might want individually if this could be worked out. I recognize, however, that such might involve tremendous retail operations of the United States at a time when manpower is short and difficulties great. The next best thing to this is to permit the little businesses of the United States to buy in small lots so that they in turn can make resales in the small towns, villages, and communities throughout the United States, giving to the farmer, to the serviceman, and the public generally at an early date out of the surpluses available full opportunity to make purchases.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from South Dakota [Mr. CASE].

The Clerk reread the amendment offered by Mr. CASE.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and on a division (demanded by Mr. CASE) there were—ayes 19, noes 43.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The Clerk reread the amendment offered by Mr. WRIGHT.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] to the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 51, noes 53.

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MANASCO and Mr. HALLECK to act as tellers.

The Committee again divided, and the tellers reported there were—ayes 76, noes 67.

So the amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 34, after line 3, insert a new subsection to read as follows:

"(g) To dispose of land in the United States, acquired by the United States after June 30, 1940, which the Administrator deems suitable for agricultural use:

"(1) by affording to the person or persons from whom such land was acquired by the United States a reasonable opportunity to reacquire such land for his own use at a price not greater than that for which it was so acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such land resulting from action by the United States; and

"(2) if not disposed of as provided in paragraph (1), and if the Administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and

only for use as agricultural land and home by such family unit."

Change the paragraph letters in the remainder of the section.

Mr. GOSSETT. Mr. Chairman, this is a committee amendment to change from section 15, paragraph (g) of the bill to this policy section of the bill the whole question of disposing of surplus agricultural lands. The manner in which we seek to do this is to offer at this place the amendment just read, and then when we reach section 15 move to strike out paragraph (g). Paragraph (g) was an amendment drawn by me and written into the bill at my insistence.

On Tuesday of last week I took more than 30 minutes' time explaining the purpose of this particular amendment and the policies and the objectives which we seek to attain through these provisions. I believe that most members of the committee understand the amendment. They understand the objective to be to permit farmers who were, to all intents and purposes, forced to give up their lands pursuant to the war program, a reasonable time within which to reacquire that land at a price not exceeding that paid them by the Government. The reason for transferring this from section 15 to section 11 is to meet certain administrative objections, particularly an objection offered by the Chief of the Land Division of the Department of Justice, to the effect that if this provision is left in the mandatory section it will cloud titles to real estate. Most of you who are lawyers and who have had experience in title examination, will concede that that is a good objection; in other words, if we would provide, as I originally suggested doing, a mandatory instruction that the original owner be given a certain time within which to reacquire this property and if, in fact, the original owner does not reacquire this particular tract, the mandatory provisions to that effect will then become a cloud upon the title of the person who does acquire it.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. ALLEN of Louisiana. With reference to the question of time, as I understand it, the gentleman's amendment provides that the original owner might have a reasonable time. May I ask the gentleman to explain what he considers to be a reasonable time, bearing in mind that the average farmer may not be ready to repurchase and may not have the money on hand now. He ought to have a good long time. He ought to have, say, at least a year.

Mr. GOSSETT. We were unable to agree in committee on just what a reasonable time would be. I think that the Administrator, after consultation with different advisers, can work out some system, not one which we all may agree is reasonable but one which most of us will agree is a reasonable time. He will have to fix some time within which it is optional to repurchase.

Mr. ALLEN of Louisiana. Would not the gentleman say for the benefit of the Record that a farmer ought to have, say, at least 1 year?

Mr. GOSSETT. I do not know in my own mind what a reasonable time would



be. I would be willing to give him that time; yes. I think he should have a year's time.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. MOTT. The gentleman said that his amendment strikes out paragraph (g) of section 15.

Mr. GOSSETT. It does not strike it out. We will move to strike out paragraph (g) of section 15, on page 39, if the committee amendment now being offered is adopted. The purpose of offering this, as I tried to explain, is simply to change the general provisions from the mandatory section of the bill to the policy section of the bill in order to avoid clouding land titles.

Paragraph (g) deals with the disposal of certain agricultural lands. The proposed amendment is almost identical in verbiage. The proposed amendment is alvebiage. It has been redrawn and redrafted by the Legislative Counsel to meet certain administrative objections. But the purpose of the amendment now being offered is identical with the purpose of the amendment as now contained in the bill. We simply seek to transfer this provision from the mandatory section of the bill to the policy section of the bill, as I say, in order to avoid clouding land titles.

Mr. MOTT. Then paragraph (g) of section 11, which section the gentleman is amending, is still in the bill?

Mr. GOSSETT. Yes; that is still in the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GOSSETT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. HARE. Referring to the question raised by the gentleman from Louisiana with reference to reasonable time, I understood the gentleman from Texas to say that this amendment was offered for the purpose of avoiding a cloud on the title. Suppose we had no fixed reasonable time, and suppose the land is transferred in 6 months or 12 months, and there is no opportunity to sell it back to the original owner for 2 years, and then later some one will come up and say that was not within a reasonable time and therefore there is a cloud on the title. Does the gentleman not think that a reasonable time ought to be fixed; that is, a minimum reasonable time?

Mr. GOSSETT. The Administrator will fix a reasonable time in the formula to be set up in his administration. The whole subject is now covered in the policy section of the bill, however, and not in the mandatory section. We have been assured, however, and we certainly expect that the Administrator will carry out this policy as stated in this amendment.

Mr. HARE. If the time is not fixed as being reasonable, then any land disposed

of after that will have a cloud on the title.

Mr. GOSSETT. If some time is not fixed as reasonable, there's a possibility of clouding some titles.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Miss SUMNER of Illinois. I ask this question at the request of several Members here. We would like to ascertain, if possible, what the definition of a family sized farm is. How large a farm is that?

Mr. GOSSETT. That might be one size in one section and another size in another section. A family sized farm consists of a sufficient number of acres for a family to make a reasonable living off of. That would have to be determined by the Administrator of this provision. It might mean 100 acres in one section of the country and it might mean 320 acres in another section of the country. It would vary with the fertility of the soil and the farming conditions in that particular area.

Miss SUMNER of Illinois. What does the gentleman mean by reasonable living; a low income standard or middle group or what?

Mr. GOSSETT. That would be, I would say, what the average farmer in that community makes; the income of the average farmer of that particular area. That is just an impromptu personal definition given in response to the gentleman's question.

Mr. TABER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER to the amendment offered by Mr. GOSSETT: In line 15 of the amendment after the word "suitable" insert the word "only."

Mr. TABER. Mr. Chairman, my amendment is offered so that land which is suitable for other purposes shall not be turned back at the same price that was paid the owner, but that only that land which was suitable for agricultural purposes shall be covered by this amendment; in other words, if the Government's operations or the passage of time in the meantime has resulted in the land being suitable for other things, and perhaps much more valuable than it was before, the Administrator would not be obliged to sell this property for the same price which the Government paid for it. I think this is the only way that we can properly safeguard the Government's interest in this connection, and I hope that this amendment will be adopted.

Mr. GOSSETT. Mr. Chairman, the committee sees no objection to this amendment, and we will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER], to the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment to the amendment was agreed to.

Mr. WICKERSHAM. Mr. Chairman, I offer a substitute for the Gossett amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM as an amendment to the amendment offered by Mr. GOSSETT: On page 34, line 3, after the period insert a new subsection (f), as follows:

"To foster and encourage ownership of family-size homes, where feasible, rural property which is suitable for farming or livestock operations shall be first offered for sale in family-size farms or ranch units; and city, town, and other residential property shall be first offered for sale in family-size home units.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, I offer this amendment as a substitute for the Gossett amendment, I would leave in the bill section (g) on page 39. That provision relates to those people who were the last record owners of surplus agricultural lands and allows them a chance to regain their property. My amendment is as follows:

To foster and encourage ownership of family-size homes where feasible, rural property which is suitable for farming or livestock operations shall be first offered for sale in family-size farms or ranch units; and city, town, and other residential property shall be first offered for sale in family-size home units.

This permits the individual, whether he be a veteran, whether he be a farmer, or whether he be a resident of a town, to get a family-size home. Many of the city properties will sell in groups of 100 to 1,000 houses, if we do not adopt some provision like this. The farms and ranches will be sold in bulk, in tracts 100 or 1,000 times as large as a family-size home, unless we adopt an amendment similar to this.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I should like to have a definition of this term. None of us understands what "family-size" is. Is it a family of 5 or 10? Every family I know has a different-sized farm.

Mr. WICKERSHAM. Of course, the gentleman is single.

Miss SUMNER of Illinois. What is the gentleman's definition? He is the author of the amendment. We want something definite.

Mr. WICKERSHAM. My definition of a family-size home may be different from the gentleman's, but I will tell her what my definition is.

Miss SUMNER of Illinois. The gentleman is the author of the amendment. He is the one that is making the law.

Mr. WICKERSHAM. My definition of a family-sized home would be the same as Webster's. I would define a family-sized farm or ranch home or a unit as a place of abode for the head of a family and the members of his family, sufficient to maintain a livelihood for him on the farm or ranch, or sufficient to provide a comfortable home and de-



cent shelter for himself, his wife, and children in the city.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. In each State there are records showing the size of the average farm in that State. In Iowa, for instance, an average-sized farm is 159 and a fraction acres. That is what we in Iowa consider to be a family-sized farm.

Mr. WICKERSHAM. The gentleman is correct. A family-sized farm in Texas, when speaking of a citrus ranch in one district, might be 5 or 10 or 15 acres, but an average ranch in the area of the gentleman from Texas, [Mr. KLEBERG] might be several hundred acres.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Arkansas.

Mr. HARRIS of Arkansas. As I understand, the gentleman's amendment would first give opportunity for the lands to be disposed of to those wanting family-sized farms.

Mr. WICKERSHAM. Certainly.

Mr. HARRIS of Arkansas. Would they come ahead of the previous owners?

Mr. WICKERSHAM. No, because the committee amendment, paragraph (g) on page 39, still allows the former owners to have preference; but this would allow the other tracts to be sold in individual tracts, family-sized farms.

Mr. HARRIS of Arkansas. Then the gentleman would recommend that paragraph (g) on page 39 remain in the bill as a mandatory provision?

Mr. WICKERSHAM. Certainly.

Mr. HARRIS of Arkansas. Considering that last week there was adopted an amendment providing that the Administrator shall pursue the policies provided in this bill in the disposition of the property, would there not be a conflict between the two provisions?

Mr. WICKERSHAM. No, because my amendment states that "where feasible." It still allows the last record owner to come back and get his property.

Mr. HARRIS of Arkansas. The intention of the gentleman's amendment, then, in accordance with the interpretation of paragraph (g) on page 39, would be to give the former owners the first opportunity to repurchase the land?

Mr. WICKERSHAM. Yes.

Mr. HARRIS of Arkansas. And then if the former owners are not interested, for it to be disposed of in family-sized farms?

Mr. WICKERSHAM. That is right.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I rise in opposition to the amendment offered by the committee and in support of the amendment to the amendment.

Mr. Chairman, the change from the determination of the committee in making this a mandatory provision to a policy-making provision in my judgment does an injustice to that great number of farmers in every State in the Union whose lands have been taken, sometimes

by condemnation and sometimes by agreement to sell because they did not desire to go into the courts and fight out the question of what they were entitled to for their lands.

This is quite different from any other concession that has been proposed to any industry or even to the farmers themselves, that is, to leave in section 15, subsection (g) substantially what is there. I have an amendment which I want to propose at that time which will guarantee to these farmers who have given up their farms an opportunity for them to move back home. Oftentimes they have given up their farms from a patriotic point of view and have accepted less money than they would have sold their farms for, because they did not want to go into litigation about it.

I have one camp in my district. We objected to that camp's being put where it is, but when the War Department said that this was the ideal spot within that territory in which the camp ought to be placed, our farmers said, "All right, if that is the need of the Government, we yield to that necessity. Come and take our property. If we cannot agree upon the payment we can settle the damages or the value of the land by condemnation proceedings." Five hundred families moved out of that community. Probably many of them hope to come back when the war is over and this land is no longer needed by the Government.

In one county 60,000 acres were taken, with no complaint. I am not saying that anything was done wrong or that anything was done that should not have been done. It was the necessities of war that brought it about. However, many of these people, perhaps 50 percent of them, maybe 75 percent of them, want to come back to the homes they left under the exigencies and requirements of war. I think, and I suggest it to you gentlemen here today, that we ought to provide by mandatory legislation that these men be allowed to come back and repurchase their farms at the prices they received either by purchase or condemnation from the Government, because they were unwilling sellers as far as the price was concerned. Many of them want to come back and will come back. Probably some of them have gone to other counties and bought land and will not come back. That is taken care of in subsection (g) in section 15 of the bill. But this is not a concession; this is a provision to give the men who owned these farms at that time and surrendered them unwillingly, at a price sometimes agreeable to them and sometimes not, but accepted because of patriotic considerations, an opportunity to come back to their land, and I feel that it is our duty to make it mandatory that the lands be sold back to them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In many cases the buildings have been removed from this land and cannot be replaced, that is, the particular buildings cannot be replaced. That must be considered. In many places the land was made into firing ranges and is now cut up, and the timber

is destroyed. That is a matter that must be given consideration, too, if the original owner wants to come back and buy the land at the price paid to him by the Government. So there are a lot of difficulties here that are quite a problem to work out.

Mr. FOLGER. Certainly there are, but they can be worked out.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized.

Mr. WHITTINGTON. Mr. Chairman, I have no disposition to detain the committee. As I understand it, the gentleman from Oklahoma has offered an amendment by way of a substitute for the amendment proposed by the committee, as amended by the amendment of the gentleman from New York, and I just want to call attention to the fact that presupposes that section (g) is going to remain in the bill. I think it is a rather violent presumption.

Mr. WADSWORTH. The discussion thus far has been confined to the operation of this proposed amendment to farm lands. But nothing has been said thus far to the effect the amendment also affects so-called residential property in cities.

Mr. WHITTINGTON. The amendment of the gentleman from Oklahoma does embrace residential property, but the amendment of the gentleman from Texas is confined only to agricultural land. For that reason I suggest to the gentleman from Oklahoma that if section (g) remains in the bill his amendment is entirely at variance with the amendment offered by the gentleman from Texas.

Mr. WADSWORTH. If we are to establish the same standards with respect to the disposition of the so-called residential property in cities as we do in respect to farm lands, we may get into very serious trouble.

Mr. WHITTINGTON. I think we will get into all kinds of difficulties. My thought is we are going pretty far with the committee amendment. We must not hamper the Administrator.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield for me to answer the gentleman from New York?

Mr. WHITTINGTON. I yield.

Mr. GOSSETT. We have acquired relatively no residential property in pursuance of the war program, that is through condemnation or purchase, with the exception of some hotels and some business properties. There have been approximately 70,000 families dispossessed from farms incident to the acquisition of Army camps. I anticipate that perhaps the same policy will be followed relative to such business property that may be returnable to persons from whom it was taken where practicable. We felt that this should be a national policy; that is, to return as many folks as possible to the farms, and that is based on the fact that in most of these camps the agents who were going around getting options for the Government and who are acquiring these agricultural tracts, told the farmers, of course, it would not be enforceable, but they also told them they were going to give this land back to them.



Mr. WADSWORTH. I am not quarreling with that. I understand that. My observation is directed toward the substitute amendment which, as I understand, places city residential property, whatever that is I am not quite sure, in the same category as farm property.

Mr. GOSSETT. I am opposed to doing that.

Mr. WHITTINGTON. The committee's view is that the proposed substitute of the gentleman from Oklahoma [Mr. WICKERSHAM] is utterly impracticable, that farm lands should be handled separately from city lands, and that the substitute is impossible of administration. We trust that the substitute will be defeated.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I now ask unanimous consent to strike from the bill paragraph (g) of section 15, appearing at the top of page 39, in conformity with the policy of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WALTER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 33, line 5, after the words "District of Columbia", strike out "and cooperative organizations."

Mr. WALTER. Mr. Chairman, when we from time to time set up agencies, we, of course, understand that people will be employed to carry out the purposes of the law. It is only a short time after those agencies are set up that we start complaining about capricious and arbitrary rulings. I cannot imagine language in a law that is more susceptible of abuse than the language which I propose, by this amendment, to strike out. Paragraph (b) is intended to give preferential treatment to public corporations, educational institutions, and eleemosynary corporations. But this language "and cooperative organizations" is so broad that anything could be included within it. I looked up the only decision of any court of last resort to define a cooperative organization. Let me read what the Supreme Court of the State of Minnesota has defined it to be. Its definition is as follows:

#### COOPERATIVE ASSOCIATION

In a broad sense all associations, whether corporations or partnerships, are cooperative, if all the members, either by their labor or capital or both, cooperate to a common purpose. There is, undoubtedly, in the popular use of the terms, a more limited sense, though the precise limits are not well defined. There is no legal, as distinguishable from their popular, signification. In the Century Dictionary the term "cooperative society" is defined as a union of individuals, commonly laborers, or small capitalists, framed for the prosecution in common of a productive enterprise, the profits being

shared in accordance with the amount of capital or labor contributed by each member (*Finnegan v. Noerenberg* (53 N. W. 1150, 1151, 52 Minn. 239; 18 L. R. A. 778, 38 Am. St. Rep. 552)).

Do you think we ought to permit language to be in a statute that is susceptible of abuse as in this language? When the bill was first considered by the Post-war Planning Committee, of which I am a member, this language was not in the bill. Somewhere between the time the legislation was so considered and today, this language found its place in this legislation. But what is it designed to do? What cooperative organization is it hoped will receive preferential treatment through the enactment of legislation with this broad, general language in it? Let me read from the committee report:

"Full opportunity should be given to other public agencies"—public agencies, mind you—"educational and charitable organizations to acquire surplus property." In view of the fact that this section is designed to give a preferential treatment to public corporations only, I say that it is too dangerous to permit a bill to be passed with this wide, sweeping language in it. I trust that the amendment which will strike it out will be adopted.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GRAHAM. Could there be any construction put on this language which would imply that this refers to modern, cooperative organizations of which we hear of all over the country?

Mr. WALTER. Why, of course, it would apply to any cooperative of individuals who had any purpose as the object of their incorporation.

Mr. GRAHAM. Then in substance it would defeat the general purpose, and in turn make it special, would it not?

Mr. WALTER. Exactly.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as most of the Members of the House know, I am very deeply interested in cooperatives, because I believe they are one method whereby people are able to work out the solution of their economic problems without reliance upon the Government and because I know that farm cooperatives have been the one means which has been effective through the farmers' own effort to enable the farmer to get a fair price in the market and to solve many of his other economic problems.

If this language had never been put in the bill in the first place, I should not have offered an amendment to insert it. I do not want any favors for cooperatives that other types of business do not have. All I want the cooperatives to have is the same chance to engage in business as a group of "little" people, that other kinds of business have where there are a few "big" people. However, in view of the discussion that has been had on the floor this afternoon, I think the adoption of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER] would be a serious mistake.

The gentleman from Washington [Mr. JACKSON] has told us that the present Administrator of Surplus Property Disposal ruled that the cooperatives of the State Grange in his State did not have a right to participate in the purchase of any surplus property and the resale thereof. Am I correct in that?

Mr. JACKSON. That is right.

Mr. VOORHIS of California. I did not know about it, but the gentleman made that statement on the floor this afternoon. If that be true, then if we strike this language from the bill, unless we put something in the bill to take the place of this language, we might possibly appear to be affirming that judgment on the part of the Administrator, a thing which, I am convinced, is entirely contrary to the intent of Congress.

Mr. WALTER. Will the gentleman yield at that point?

Mr. VOORHIS of California. I yield.

Mr. WALTER. Do you feel that these cooperative organizations such as you are talking about should be given preferential treatment?

Mr. VOORHIS of California. I just said I did not. I made that very plain.

Where their name appears in the bill, it simply provides they shall have an opportunity to fulfill their legitimate needs. I do not know that that gives them preferential position, but I think in view of the action taken by the Administrator, unless this House makes it very plain that we do mean that the cooperatives shall have equal right to deal in surplus goods, as any other business that is selling the same property to the farmer at a profit, we will do great damage to the members of the farm cooperatives of this country. All I want is that these cooperatives shall have the same right to purchase this surplus property that anybody else has, and to resell it. I am afraid the adoption of the gentleman's amendment will throw a cloud on that because of the fact that the language in the bill as reported by the committee says:

"To fulfill their legitimate needs." It does not say they shall have a preference. It says they shall have an opportunity to fulfill their legitimate needs.

For that reason I am afraid of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER]. I do not want preferential treatment for the cooperatives. I do want them to have the same deal that anybody else gets in this regard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I should like to say as to the term "cooperative organizations" in section (b) of subsection 11, which reads "to afford public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, and the District of Columbia, and cooperative organizations"—my thought is that that is broad enough to take in the farm cooperative organizations, and it should. They should be on a par with some of the charitable institutions. They are public bodies. It would include municipal cooperatives. If you have a municipal housing project in a



city that is cooperative, that should be included. Where they get together as an association, act cooperatively, they are entitled to priority over an individual.

I would say that my good friend from Pennsylvania [Mr. WALTER] is perfectly sincere, of course, but this language has been in every one of these bills. I have before me the hearings before the Committee on Post-war Economic Policy and Planning, and the proposed bill there has exactly this language as it was submitted to his committee some few months ago. It was in every draft of the bill that has been considered by our committee. That is language that has been retained, and the paragraph changed so as to embrace States and Territories.

Mr. MURDOCK. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MURDOCK. Is not the gentleman from California, [Mr. VOORHIS] correct that if this language is stricken, it will tend to discriminate against cooperatives?

Mr. WHITTINGTON. I have so stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

Mr. MILLER of Connecticut. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. MILLER, of Connecticut: On page 33, line 10, insert the following new subsection:

"To afford those serving in the Army, Navy, Marine Corps, and all war veterans an opportunity to purchase single units or small lots of any surplus property at the same price for which such property has been sold or offered for sale in large lots."

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. BENDER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENDER. How many amendments are there at the Clerk's desk?

The CHAIRMAN. The Chair does not think that is a parliamentary inquiry, but the Chair will state for the information of the House that there are 35.

Mr. COCHRAN. How many to this section?

The CHAIRMAN. Twelve amendments are pending to this section.

Mr. MANASCO. Mr. Chairman, I understand there are 12 amendments to section 11 at the Clerk's desk. I ask unanimous consent that all debate on section 11 close in 50 minutes and that on each amendment the committee be given the last 2 minutes to reply.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN. In view of the fact there are 12 amendments and the time has been limited to 50 minutes, how much time does the Chair propose to allocate to those recognized?

The CHAIRMAN. The Chair proposes to divide the time equally, which would be approximately 4 minutes on each amendment. I believe under the unanimous-consent request 2 minutes was reserved to the committee on each amendment. Each Member offering an amendment, therefore, would be recognized for 2 minutes.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 32, line 7, strike out the period, insert a comma and the following: "And to accomplish these objectives the Administrator is expressly authorized and instructed to sell any surplus property which the Secretary of Agriculture may certify as being needed for soil conservation to any soil-conservation district duly organized under State or Federal law on credit without any down payment and on quarterly installments payable over a period of 5 years."

The CHAIRMAN. The gentleman from Texas is recognized for 2 minutes.

Mr. POAGE. Mr. Chairman, this is an amendment instructing the Administrator to sell soil-conservation equipment to soil-conservation districts on credit. It seems to me that the far-reaching importance of the conservation of our soils would justify a much longer discussion than the committee has seen fit to allow. It is necessary that the soil-conservation districts buy this equipment on credit because soil-conservation districts are the only municipal districts in the United States that have no taxing power. They are definitely public agencies, but they have no means whereby they can get any money to make a down payment on the equipment they need. Once the down payment is made it is possible for these districts to charge for the use of the machinery and thereby build up a fund with which they can make the quarterly payments that are provided under the terms of this amendment. So if you will authorize and instruct the Administrator to sell to these districts on credit payable quarterly over a period of 5 years without requiring a down payment it will be possible for these districts to avail themselves of some of this surplus property that is so desperately needed if we are to carry on our soil-conservation program. If you do not make this credit available then there will be no way whereby the soil-conservation districts can get any of this material even though they are given preference. You have already voted to give them preference in the purchase of equipment, but that will only be an empty gesture if you require them to make cash payments when they have no cash.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I gladly yield to the distinguished gentleman from Kansas.

Mr. HOPE. The gentleman knows I opposed the gentleman's proposal the other day to give this property to soil-conservation districts, but I feel the gentleman's amendment as it stands now should prevail because this does not provide for giving this property to these districts. It is a perfectly feasible plan to provide how it shall be sold and simply sets up a method by which the districts can buy it.

Mr. POAGE. I greatly appreciate the gentleman's support because I know he has always been a friend of soil conservation and that he tries sincerely to keep within the policy of the committee and at the same time give the soil-conservation districts all they need. As he points out, this amendment simply provides a practical method enabling the conservation districts to buy some of this badly needed equipment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 2 minutes.

Mr. WHITTINGTON. Mr. Chairman, this is another subject that has been carefully considered by the Committee of the Whole and was previously carefully considered by the committee to which this bill has been referred.

It strikes me that under the terms of section 10 (a) the agency has really a broad power which would enable it to sell on credit not for 1 year, not for 5 years, but for 7 years if it be necessary, because the agency is authorized to lease it if it does not sell it to the districts; it is authorized to transfer to them for cash or for credit without any limitation. It does strike us that the school and the conservancy and the conservation districts, the soil districts, are all entitled to equal consideration. Why select one agency for preferential treatment? If you do it for one you must do it for all if you wish to be fair.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. COCHRAN. The amendment as I heard it read provided 5 years within which to make the complete payment on equipment which is liable to be of absolutely no value in 3 years.

Mr. WHITTINGTON. The gentleman is absolutely correct; it may not last longer than two. We have given the agency great discretion to promote public use under the terms of section 10 (a). It does strike me that if we are going to prescribe the details as to how property shall be handled we are depriving the Administrator of the discretion he ought to have to handle the property fairly and wisely.

I trust the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 25, noes 39.

So the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment.



The Clerk read as follows:

Amendment offered by Mr. HARE: On page 34, at the end of line 15, add the following: "Provided, That all such property, equipment, supplies, or materials shall when declared surplus, be inventoried, classified, and appraised in value, and that none of such property, equipment, materials, or supplies, not otherwise disposed of, shall be sold at a price not more than 10 percent less than the appraised value or resold by anyone at any time at a price exceeding 20 percent above the purchase price: *Provided further*, That such property, equipment, materials, or supplies, excluding real estate, shall as near as feasible be made available to the several States in proportion the population of a State bears to the total population of the United States."

The CHAIRMAN. The gentleman from South Carolina is recognized for 2 minutes.

Mr. HARE. Mr. Chairman, I have listened to quite a number of speeches today and an unusual number during this past week. A large percentage have emphasized the fact that the purpose of this bill is to dispose of surplus war property and prevent profiteering or unusual and excessive profits; yet today and last week I have heard no one definitely point out in this bill where there is a provision that will definitely prevent profiteering or excessive profits. If the prevention of profiteering is the objective of this bill and this Congress, Why should we not undertake to fix a standard or a yardstick under which this surplus property is to be disposed of? The members of the committee will tell this body that when they first assembled the most reasonable, logical, and natural conclusions they reached was that some provision should be placed in the bill to prevent excessive profits. But between that time and now they seem to have been relieved of that impression in some way or other and are now going to leave it to the discretion of one man or a half-dozen men on the ground there might be some work involved in the process. Certainly there will be work and it does not make any difference who undertakes it or what plan is agreed upon. What I want to emphasize is that this Congress is going to be charged with the responsibility if anyone succeeds in profiteering or in making unusual profits in connection with the disposition of these properties, materials, or supplies and we ought to take steps today to prevent it. This bill, in my opinion, will not become law until some provision is placed in there that will do that very thing. The bill as it now stands is not satisfactory to a majority of the Members of the House and I am anxious to see some provision inserted that will be an absolute guaranty against profiteering. If my amendment will not do that I am prepared to support one that will do it because I have no pride of authorship. I am satisfied this amendment will do it and it will not take the time and trouble predicted by those who by their action are willing to leave to some uncertain person to devise a plan to prevent excessive profits. Someone is going to decide what piece of material or equipment will be declared surplus and it will not take that person a split second longer to place

a fair estimate of its value on each piece, and if you will apply this amendment to that value I will guarantee you will prevent profiteering.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from South Carolina [Mr. HARE].

Mr. Chairman, I do not think there is a Member of the House who is not in full accord with the sentiments expressed by the gentleman from South Carolina. We are all opposed to profiteering in every way, shape, or form in connection with the sale of this property. But stop and think what is going to happen if the amendment is agreed to. It has been stated here time and again that we will have at least a million articles to be disposed of, which would mean a million appraisals. Just think of that. You can take all the mail-order houses in the United States, large and small, put them all together and their business for 10 or 15 years will not amount to as much as the sale of the surplus property that the Government has to dispose of.

It is absolutely impossible to carry out the suggestion made by the gentleman from South Carolina [Mr. HARE] and I trust the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HARE].

The amendment was rejected.

Mr. HOLFIELD. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOLFIELD: Add a new section to section 11, after line 15, on page 34, as follows:

"The Administrator shall collaborate with the S. W. P. C. in the development of procedures and policies which will insure that small business shall receive fair and equitable treatment in the acquisition, use, and disposal of surplus properties.

"The Smaller War Plants Corporation may, when in its judgment it becomes necessary in the protection of the interests of small business, certify to the Administrator or the owning or disposal agencies that certain property is required for the use of small business and request its allocation upon the basis of such certification. On receipt of such certification and request, the Administrator or the appropriate owning or disposal agency shall order such allocation. Such allocation to be effected through the usual commercial channels of distribution."

Mr. HOLFIELD. Mr. Chairman, I hope the members of the committee will not confuse this amendment with the amendment offered by the gentleman from Pennsylvania [Mr. WRIGHT] which provided for the establishment of the S. W. P. C. as the disposal agency. My amendment does not do that.

This amendment provides that a restoration shall be carried on by collaboration with the S. W. P. C., as the committee bill originally provided before the Halleck amendment struck it out.

It also provides when necessary for the protection of small business that they shall become the certifying agency and certify to the Administrator such a need exists. It directs the administrator to honor such a certification.

It also provides that the disposal agency, whatever it may be, that has this surplus property shall utilize the usual commercial channels of distribution. I see no point where that would conflict in any way. I trust the Members will consider this amendment seriously and that the committee will not object to the amendment which restores the Smaller War Plants Corporation strictly as a certification board, but does not give them the power of disposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLFIELD].

The amendment was rejected.

Mr. ROLPH. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROLPH: Page 33, line 2, after the period insert "Before any surplus property covered in this bill is offered for transfer between Government agencies and/or for public sale, an over-all inventory of all such property shall be compiled and given public distribution."

Mr. ROLPH. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I am about to make and also those that I made earlier today.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

Mr. ROLPH. Mr. Chairman, this is a pro forma amendment and I am not going to press for its adoption. I do, however, want to bring before the Committee and later the conferees the necessity for having complete inventories of merchandise offered for sale under this program.

When Mr. Clayton and Secretary Jones appeared before the House Banking and Currency Committee in connection with a similar bill I asked repeatedly about inventories. How are merchants going to intelligently bid unless they know how much merchandise is hanging over the market? Apparently considerable thought was given to this matter, and I read from page 67 of the book by A. D. H. Kaplan entitled "The Liquidation of War Production":

The remaining \$15,000,000,000 of war stocks may include roughly three to four billions of clothing, equipage, textiles, and other soft goods; three to four billions of motor vehicles, parts and accessories; one and five-tenths billions of foodstuffs; one and five-tenths billions of Government stock piles of controlled raw materials; and five billions to cover other products, such as machinery, tools, hardware, and engineering equipment (including cranes, tractors, and structural steel), chemicals, railroad equipment, and a great variety of portable communications apparatus. More than half the total will be abroad, leaving perhaps \$6,000,000,000 worth of stocks for domestic disposal. This aggregate may be compared with the total retail sales per month in 1940, \$3,867,000,000, and with the monthly sales in individual lines: \$572,000,000 in the automotive group, \$259,000,000 in building material and hardware, \$168,000,000 in home furnishings, and \$287,000,000 in apparel. (For 1943, retail sales averaged above \$5,000,000,000 monthly in spite of rationing.) Clearly surplus stock piles in civilian lines will represent only a few months' normal consumption, though large overstocks of specific items are to be expected.



Also from page 18 of the committee hearings:

*Government-owned war plant*

1. Explosives: Ammunition assembling and loading.....	Original cost \$2,850,000,000
2. Shipways.....	2,000,000,000
3. Aircraft: Frames, engines, parts.....	3,110,000,000
4. Iron and steel.....	1,200,000,000
5. Nonferrous metals (mainly aluminum and magnesium).....	1,350,000,000
6. Chemical operations: Synthetic rubber, high-octane gas and other petroleum products, other chemicals.....	1,400,000,000
7. Ordnance other than explosives: Ammunition, shells, bomb cases, etc., guns.....	1,900,000,000
8. Machinery: Motor vehicles, combat and other; metal-working equipment; machinery and electrical equipment; miscellaneous manufacturing equipment.....	1,290,000,000
Total.....	15,100,000,000

Mr. Chairman, it will be utterly impossible for the automobile industry, for instance, to map its future program unless it knows how many different vehicles will be offered for sale. Blanket manufacturers ought to know how many blankets and how many different kinds of blankets are going to be sold. This applies to other manufacturers as well.

When the conferees consider this legislation I hope some note will be made of this so that business may intelligently approach the problem and that an inventory will be set up.

Miss SUMNER of Illinois. Mr. Chairman, I hope the gentleman will ask for a vote on this amendment. It is one of the best amendments we have had offered us this afternoon.

Mr. ROLPH. Mr. Chairman, I do not want to press for a vote at this time. I thank the gentlewoman for her approval. I am simply submitting it to the conferees for their consideration and I sincerely hope the chairman and the members of the conference committee will consider this matter most seriously.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say to the gentleman that the Administrator has the right to require these reports. These reports will be in the nature of an inventory of war property. He has the right to give them wide publicity and should do so. That has been provided for.

Mr. ROLPH. May I say to the gentleman that the Navy Department might have a list of materials, the War Department might have a list of materials of the type and the Maritime Commission might have a similar list, but if they are not put on the market simultaneously the trade will not know what is the total to be absorbed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROLPH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 33, line 10, after the period insert "Where feasible, veterans shall be given preference."

(Mr. ALLEN of Louisiana asked and was given permission to revise and extend his remarks.)

Mr. WICKERSHAM. Mr. Chairman, this merely implements the amendment offered by the gentleman from Connecticut [Mr. MILLER]. He has stated that this is acceptable to him, and I see no reason why the committee should object to it. It states "Where feasible, veterans shall be given preference."

All through the bill the bill reads: "to afford them an equal opportunity to veterans," and I think where it is feasible veterans should be given preference. I believe the chairman will have no objection to the amendment, and I would like to address myself to the chairman, the gentleman from Alabama, and ask him if he has any objection to this amendment.

Mr. MANASCO. Personally, I do not think it hurts the bill or helps it any. I think the Administrator already has that authority.

Mr. WICKERSHAM. All through the bill, the bill provides that they shall be afforded equal opportunity. If the gentleman has no objection, I wish he would accept it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 33, after line 10, insert:

"(d) To give to veterans' organizations, farm organizations, and farm cooperatives, and organizations of rural mail carriers, preference in the purchase, on behalf of their respective members, of surplus jeeps."

Mr. WICKERSHAM. Mr. Chairman, this amendment answers the need of some of us gentlemen who have requested that these various groups be entitled to bid on these jeeps. Under the present program and under the present bill, they cannot do so as individuals, but if you give the veterans' organizations, the farm organizations, and the organization of rural mail carriers preference, then they, on behalf of their individual members, could bid on this property.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 34, after line 12, insert:

"(j) To designate the Department of Agriculture as the disposal agency for agricultural lands and grazing lands, and the Department of the Interior as the disposal agency for lands having mineral deposits."

Mr. WICKERSHAM. Mr. Chairman, I wish to bring to the attention of the Committee the importance of this amendment. This amendment allows the Department of Agriculture, which is the present disposal agency for agriculture and grazing lands, the sole disposal agency of such lands, and it makes the Department of the Interior the sole disposal agency for lands having mineral resources and deposits. If you have read the newspapers during the past few days, you will see that many men holding positions of importance have recommended this very amendment.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from South Dakota.

Mr. CASE. Are the people in the gentleman's district of Oklahoma satisfied with the administration of permits for exploration and prospecting as administered by the Department of the Interior on oil lands? Are they entirely satisfied with it?

Mr. WICKERSHAM. They are fairly well satisfied with all of the sales and the rentals by the Department of Agriculture and by the Department of the Interior.

Mr. CASE. By the Department of the Interior on oil lands?

Mr. WICKERSHAM. I believe on all lands we would like to see more of them offered for lease.

Mr. CASE. Does the gentleman think, in the administration of this land, it would be better if they leased them?

Mr. WICKERSHAM. Yes. I think in the past the administration of sales has been much better than the lease policy.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the distinguished gentleman from Mississippi.

Mr. WHITTINGTON. The whole purpose of this amendment is to coordinate and to put in the disposal agency the disposition of all lands instead of doing what we have been doing heretofore?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANASCO: On page 33, line 5, after the comma following the word "subdivisions" insert "insular possessions."

The amendment was agreed to.

Mr. McCONNELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCONNELL: On page 34, strike out lines 4 and 5.



Mr. McCONNELL. Mr. Chairman, the two lines referred to include all of subsection (g) on page 34 under section 11, "To encourage mutually beneficial trade relations with foreign nations and to develop foreign markets."

These lines really add nothing to the bill, since the Administrator is already given the sole power to supervise sales anywhere. However, if subsection (g) is left in, it might encourage some administrator to place undue emphasis on this subsection. During the discussion of the bill in committee I raised the question whether activities of the Administrator under subsection (g) might not have tremendous and far-reaching implications, especially right after the war when the United States with other nations will be busy with peace plans and treaties. It will be a period of world readjustments when a delicate balance of many forces will be required. With this thought in mind, I expressed the opinion to the committee that this particular subsection either should contain a restrictive provision requiring that proposed regulations and actions be subject to approval by the Senate and House of Representatives before becoming effective, or it should be eliminated. It is one thing for the Congress to give one man wide discretionary powers to handle a huge merchandising job in order to obtain speedy action and focus responsibility. It is quite another matter to place a subsection in a bill that would encourage him to go out and develop foreign markets in the turbulent field of international relations after a global war has ended, with nothing to deter him except general terms.

In order to prevent undue emphasis being placed on this subsection, it would be wiser for us to leave it out. To argue that protection is afforded by the words "to the extent feasible and in the public interest," on page 32, line 23, in my opinion, is too general and places too much reliance on the judgment of the Administrator. Also bear in mind that this bill is written to apply to any Administrator appointed while this act is in effect, and not necessarily to the present Administrator who is now serving under Executive order. The judgment of some other Administrator might lead him to order an action which would cause harm. One unfortunate move might well create an unfriendly atmosphere which would endure for many years. He might think he was doing the right thing, but in an earnest endeavor to carry out the policies of subsection (g) the damage could be done.

The committee hearings seemed to indicate there was some doubt regarding this subsection. The chairman, during the course of the hearings, asked if it might be all right to strike it out, but the present Administrator expressed the thought that it would be a good thing to have it in there; that he did not think there was need to fear any improper use of it, or undue emphasis being placed upon it. However, that is the opinion of one man who may not be the Administrator during the next 2 or 3 years.

Since this subsection (g) does not add anything to the bill, and might be det-

rimonial, I suggest its elimination by the adoption of my amendment.

(Mr. McCONNELL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. McCONNELL) there were—ayes 21, noes 13.

So the amendment was agreed to.

The Clerk read as follows:

#### DISPOSITION OF PLANTS

SEC. 12. Nothing in this act shall impair, amend, or modify the antitrust laws or limit or prevent their application to persons who buy or otherwise acquire property under the provisions of this act. Upon the request of the Attorney General, the Administrator or any other Government agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or any such agency may possess which the Attorney General determines to be pertinent to the application of the antitrust laws to the disposition of surplus property under the provisions of this act. As used in this section, the term "antitrust laws" includes the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5125, had come to no resolution thereon.

#### THE LATE HONORABLE OSCAR R. LUHRING

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, the newspapers of Washington on Friday evening August 18, 1944, contained notice of the death of Hon. Oscar R. Luhring, judge of the United States District Court for the District of Columbia, who was also a Member of this body in the Sixty-sixth and Sixty-seventh Congresses. Judge Luhring represented the old First District of Indiana, which contained within it five of the counties which I am privileged to represent as part of the counties contained within the Eighth District of Indiana.

The Washington Post, in a lead editorial, on August 19, 1944, adequately described the respect which the citizens of this community and the members of the bench and bar of this community held for Judge Luhring, and I wish to include that editorial at this place in my remarks:

#### JUDGE LUHRING

Love of the law does not necessarily make an outstanding jurist, but when it is com-

bined with good judgment, hard work, and long experience as a lawyer and judge, the product is likely to be a judicial career of marked distinction. That is true in the case of Justice Oscar H. Luhring, of the United States District Court for the District of Columbia, who died of a heart attack yesterday. Justice Luhring had been on the bench since 1930. He had spent his life in the law. As a practicing lawyer he was keen and able; as a prosecutor in Indiana and later as Assistant Attorney General in charge of the criminal division of the Department of Justice he was fair, thorough, and conscientious. Even as a Member of Congress many years ago his interest remained primarily in the legal field; on the Federal bench he quickly established a reputation for sound judgment and extensive learning in the law. The quality of service he rendered was especially attested by his excellent record in having decisions upheld by the court of appeals.

Judge Luhring was especially loved and respected by members of the District Bar. When the new rules of civil procedure for the Federal district courts became effective in 1937 he was especially helpful in getting those rules expeditiously established and in aiding members of the bar to become familiar with them. He conducted his court with dignity and kept cases moving promptly toward their conclusion, while safeguarding the rights of the litigants. The bench has lost a conscientious and able judge and the community an outstanding citizen whose public services will long be remembered.

I think it is fitting, however, to further call attention to the fact that before Judge Luhring left the city of Evansville, Ind., to make his more or less permanent residence in Washington, that he also enjoyed among the people in the community in which he was born, in Gibson County, just north of the city of Evansville, and in the city of Evansville, a reputation equally as high as that which he earned for himself in the city of Washington.

I began the practice of law in Vanderburgh County in 1925, some 4 years after Judge Luhring had quit active practice at that bar. However, his reputation and standing at that bar was tremendous and the stories of his accomplishments and ability as a lawyer were legion and are still part of the tradition of that bar which young lawyers are advised to emulate and follow.

He was a great advocate. But his later record on the bench disproved the oft-expressed theory that great advocates do not make great judges. There is a very clear reason for this, which is apparent to all of us who knew him or knew of his ability as a lawyer and his love of the law. It lay in the fact that he was, above all things, a craftsman who believed in his craft and mastered all of its techniques. Above all, he believed that the cause of humanity is best advanced where there is justice under law. He believed that it was the function of a judge to follow the law as written, with complete intellectual honesty, and that notwithstanding any personal feeling which he might have as to the possible injustice of an individual case arising out of the application of the law, that in the long run, personalized justice or a personalized concept of justice will destroy freedom; and that man only progresses when there is order in society and that the best known method of producing



ing a series of books on the problems of establishing and operating various kinds of business. Each of these books is devoted to basic considerations, such as capital requirements, location, cost, display, lay-out, credit policy, etc., of a specific business which may attract veterans. These books will be used as texts in courses which the Army proposes to give soldiers before demobilization. The lines covered include metal working shops, sawmills, building contractors, painting contractors, hardware stores, service stations, grocery stores, drug stores, electrical appliance stores, shoe repair shops, auto repair shops, heating and plumbing, real estate and insurance, beauty parlors, bakery stores, restaurants, dry cleaning, laundries, apparel stores, and general merchandise stores. This list has been designed to cover the most likely areas of opportunity for returning veterans in this field. As a result of years of experience in advising with business interests the Department of Commerce is in a position to be of constructive assistance to a loan agency in providing factual information and guidance on business problems.

#### EMPLOYMENT

To give all possible help to the employment of veterans, there is authorized a Veterans' Placement Service Board consisting of the Administrator of Veterans' Affairs Chairman; Director, National Selective Service; and Administrator, Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. This Board will determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service. While the Administrator of Veterans' Affairs is made responsible for veterans' employment, this is not a function of the Veterans' Administration but is retained in the United States Employment Service. The plans and policies will also comprehend the voluntary services of reemployment services of reemployment committeemen on the local draft boards authorized in subsection (g) of section VIII, Selective Training and Service Act of 1940.

#### UNEMPLOYMENT ALLOWANCES

Unemployment allowances of \$20 per week while unemployed are authorized subject to the following conditions:

The week of unemployment must have (a) begun after September 3, 1944; (b) occurred not later than 2 years after discharge or release from active service or the termination of the war, which ever be the later date.

The person is not receiving subsistence allowance for education or training.

To be eligible, the person must (a) reside in the United States; (b) be completely unemployed—or if partially employed, at wages less than \$23 a week; (c) be registered with, and reporting to, a public employment office; (d) be able to work and be available for suitable work; however, no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the requirements of this paragraph if such failure is due to an illness or disability which occurs after the commencement of such period.

Persons will be disqualified from receiving allowances if without good cause they leave suitable work voluntarily, are suspended or discharged for misconduct; fail to apply or accept suitable work; fail to attend an available free training course; or if participating in strikes or labor disputes causing work stoppage.

Within the 52 weeks' limit the total eligibility for these benefits is determined by allowing 8 weeks of allowances for each of the first 3 months of service, and 4 weeks of allowances for each month or major fraction thereof, of further service.

The allowance of \$20 per week may be reduced by any Federal or State unemployment or disability compensation (other than pension, compensation, or retired pay received from the Veterans' Administration), received by the veteran for the same period of time. Allowances may also be made in the case of veterans self-employed, whose incomes do not reach certain specified amounts. Benefits will be administered by the Veterans' Administration office in the area where the veteran resides, through the State employment security agencies, inasmuch as there is already in operation a widespread organization for the convenience of those concerned.

#### ADDITIONAL PROVISIONS OF THE ACT PROVIDE FOR

(a) Adequate organization of the Veterans' Administration to administer all veterans' benefits, except employment.

(b) The right to have explained to him before discharge or release from active service all rights and benefits to which he may be entitled to as a veteran, and an opportunity, if he so desires, to file a claim therefor.

(c) The right to adequate prosthetic appliances and necessary training to effect the greatest possible benefit in the use of such appliances.

(d) Adequate safeguards as against forced statements against interest.

(e) Prompt transfer of the essential records of service departments to the Veterans Administration and prompt adjudication of claims for benefits.

(f) The right of review in cases of irregular discharge or release from active service (1) by the Administrator of Veterans' Affairs to determine whether the person at time of committing the offense was insane, in event of which determination benefits to which the person would otherwise be entitled shall not be forfeited; (2) except in case of separation by sentence of general court martial, any enlisted man or officer may have a review by an authorized board to determine the correctness of such discharge or dismissal; (3) any officer retired or released to inactive status without pay may likewise have a review by an authorized board to determine retirement rights.

*Note.*—Under both (1) and (2) above, the claim for review must be filed within 15 years after discharge or dismissal or within 15 years after the effective date of the act, whichever be the later.

Much of these provisions for the veterans of World War II are due to the past experience of, and interest shown by, the veterans of World War I who do not want to see their sons experience the difficulties which they themselves encountered upon discharge from war service. The G. I. Bill of Rights is evidence that the people have learned through experience, not to repeat mistakes. When signing it, President Roosevelt said that it "gave emphatic notice to the men and women in our armed forces that the American people did not intend to let them down."

### Attack on Pearl Harbor

#### SPEECH OF

### HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1944

Mr. CHURCH. Mr. Speaker, yesterday afternoon I picked up a copy of Collier's magazine of August 26 and read the article entitled "Our Armed Forces Must Be Unified" by HARRY S. TRUMAN, United States Senator from Missouri and Democratic candidate for the high office

of Vice President of the United States. Mr. Speaker, I was astounded. I could not believe what I read. I could not believe, but there it was in black and white, that an aspirant for the second highest office in this great country would publicly condemn a man before he was given an opportunity to be heard.

The would-be Vice President of the United States bases his argument for the consolidation of the Army and Navy upon the Pearl Harbor catastrophe, contending that the Japanese surprise attack was successful because of a lack of coordination of forces under the command of General Short and Admiral Kimmel. The would-be Vice President goes so far as to imply that General Short and Admiral Kimmel were not on speaking terms. This is what he says—and I quote from the would-be Vice President's article:

In Hawaii, General Short and Admiral Kimmel could meet, if they happened to be on speaking terms, or exchange cables and radiograms.

There is no basis whatsoever for that statement.

Mr. Speaker, let me read a paragraph from the letter which Admiral Kimmel addressed to the would-be Vice President, which appears in this morning's issues of the Washington Times-Herald. This is what the Admiral wrote:

Your innuendo that General Short and I were not on speaking terms is not true. Your statements alleging failure to cooperate and coordinate our efforts are equally false. General Short and I, as well as our subordinates, coordinated the efforts of our commands in close, friendly, personal, and official relationships.

For over 2 years General Short and Admiral Kimmel have been waiting court martial. Time and again Admiral Kimmel has appealed for a public trial in order that he may explain exactly what took place immediately before Pearl Harbor. All that he has asked is to be heard, to be given an opportunity to defend himself publicly. Not only has the administration refused an open trial, but we now have the would-be Vice President publicly condemning the two men. The would-be Vice President does not even wait until the investigation now in process has been completed before passing judgment.

The would-be Vice President bases his case on the so-called Roberts report. As I stated in my remarks on the floor of the House on June 5:

At very best the inquiry of the Roberts commission was cursory.

And further:

The Roberts commission was more interested in getting out some kind of a report, fixing responsibility on someone, than it was in learning the real facts.

My statement has now been confirmed by the following from Admiral Kimmel's letter of yesterday. He wrote the would-be Vice President:

The real story of the Pearl Harbor attack and the events preceding it has never been publicly told. . . . The Roberts report, upon which you rely, does not contain the basic truths of the Pearl Harbor catastrophe.

Mr. Speaker, the Roberts report is nothing more than a political docu-



ment. It was designed to allay the public clamor for information—as to the party or parties responsible for our armed forces being taken by surprise. It was designed not to present truth but to prevent the people from knowing the truth. I am personally convinced, and I believe that a true investigation will substantiate me, that the people really responsible for the Pearl Harbor catastrophe were here in Washington on December 7 and not in the Pacific. The administration knows that is true. How can one otherwise explain the unwillingness of the administration to hold the court martial of General Short and Admiral Kimmel? How can one otherwise explain the administration's opposition to the resolution which we passed for the investigation that is now being made by high-ranking officers of the Army and Navy?

The Roberts report states that at about noon—6:30 a. m. Honolulu time—or 1½ hours before Pearl Harbor, a warning message was sent to General Short and Admiral Kimmel of an almost immediate break in relations with Japan. Assuming such a message was sent, I should like to know how long before it was sent the President, the State Department, and the War Department knew that it was Japan's intention to attack Pearl Harbor. If the President knew 3 or 4 days before the attack that such an attack was being prepared, why was not General Short and Admiral Kimmel apprised of that fact immediately? When the whole story of Pearl Harbor is made known, as some day it will, I am inclined to believe that the reason we were taken by surprise was negligence in Washington and not negligence on the part of the commanders in the Pacific. As a cloak to this fact, the Roberts report was devised and to prevent this from being known by the people the court martial of General Short and Admiral Kimmel has been postponed for 2½ years.

There is another interesting development in connection with the Pearl Harbor catastrophe which is beyond understanding. You will recall that two privates operating a detector unit sent a message to headquarters that planes were approaching and they were told by the lieutenant who received the message to forget it. That same lieutenant, one Kermit A. Tyler, is today a lieutenant colonel. Think of it. An officer who obviously was not alert at the time of Pearl Harbor has subsequently been promoted by the Army to the rank of lieutenant colonel. It is beyond understanding.

Mr. Speaker, there are a great many facts to be learned about Pearl Harbor, events preceding and subsequent, and when they become known I believe the country will be shocked. From the article by the would-be Vice President it appears that he would condemn the two commanders—General Short and Admiral Kimmel—even before they are heard. I wonder why.

[From the Washington Times-Herald of August 21, 1944]

TEXT OF ADMIRAL KIMMEL'S LETTER TO SENATOR TRUMAN

MY DEAR SENATOR TRUMAN: In an article appearing under your name in Colliers maga-

zine of August 26, 1944, you have made false statements concerning my conduct as commander in chief of the Pacific Fleet at Pearl Harbor prior to the Japanese attack.

Your innuendo that General Short and I were not on speaking terms is not true. Your statements alleging failure to cooperate and coordinate our efforts are equally false. General Short and I, as well as our subordinates, coordinated the efforts of our commands in close, friendly, personal, and official relationships.

The real story of the Pearl Harbor attack and the events preceding it has never been publicly told. This has not been my decision. For more than two and a half years I have been anxious to have the American people know all the facts.

The Roberts report, upon which you rely, does not contain the basic truths of the Pearl Harbor catastrophe. This is evident from the fact that no official action has ever been taken upon the basis of that report. The Congress of the United States, of which you are a Member, has recognized the inadequacy of the Roberts report by directing that the War and Navy Departments undertake a full investigation of the Pearl Harbor disaster.

Until I am afforded a hearing in open court, it is grossly unjust to repeat false charges against me, when, by official action, I have been persistently denied an opportunity to defend myself publicly.

I suggest that until such time as complete disclosure is made of the facts about Pearl Harbor, you refrain from repeating charges based on evidence that has never met the test of public scrutiny.

I ask for nothing more than an end to untruths and half truths about this matter, until the entire story is given to our people, who, I am convinced, will be amazed at the truth.

I am releasing this letter to the press in the belief that the historic American sense of fair play will approve this action.

Very truly yours,

H. E. KIMMEL,  
Rear Admiral,  
United States Navy (Retired).

## Disposal of Surplus Government Property

SPEECH  
OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 18, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is perhaps as important an amendment as will be offered to this bill, and I rise in opposition to the amendment.

Nobody can disagree with the gentleman from Georgia when he says that this property should be used by our educational institutions. However, I do not believe there are many school boards, many communities, and no States in these United States, that are carrying the per capita debt that the United

States Government will carry when this war comes to an end.

This has been referred to as a great selling job, but I think it is a lot more than a selling job. I think that this property should be disposed of as expeditiously as possible, and to the best possible advantage. Instead of finding perhaps the best salesman in the country—and the present Administrator may be one of the best salesmen in the country—I wish that we could find somebody to administer this Act who has some of the characteristics of the good old Yankee trader who went out from my home State of Connecticut, and in some cases was charged with selling wooden nutmegs to our friends in the Middle West. I want the person selling this surplus material to have in mind that we want to reduce this \$300,000,000,000 national debt just as rapidly and completely as possible. The more of this war material that is turned into cash when the war ends, the more cash we will have with which to cash the war bonds that are going to be offered to the Treasury when this war ends. I had a letter from a young friend on the beachhead of France the other day in which he told me he bought a bond every month he had been in the army. He bought those bonds for two purposes: One, because the Government needed the money; and, two, and very important to him, so that when he came home he could go on and complete his education. Those bonds are going to be put under the window of the Treasury Department, and he is going to ask for cash. It is not going to be so easy to refinance some of the bond issues that are being sold during the war. I think the thing that we should keep uppermost in our minds is the desire to liquidate this property for cash. I do not believe that anybody will question the position of the gentleman from Michigan when he said that school buildings are valuable only to school boards and school districts. I believe that the Administrator can sell those schools to local communities at a fair and reasonable price. But as the gentleman from Michigan states, nobody else wants a school building.

I try to be optimistic, both as to the future outlook of the war and the peace, but I must confess that unless a great many American people change their points of view, I shudder for the future of this great Nation.

During the recess I was waited upon by a delegation interested in the Killgore bill. I asked the chairman of the delegation if he, as a good American, meant to sit there and contend to me that the man who had saved six or eight thousands dollars and had it either in War bonds or in the bank, as the result of the wages he had earned in the war effort during the past 4 years, was justified in going to the Federal Treasury the first or second week he was laid off for unemployment compensation of \$30 or \$35 a week. His answer—and I think it is very indicative of the attitude of many people today—was, "Well, you are not going to penalize the man who has been prudent enough to save money during the war, are you?" My answer and the



answer that this Congress must give to the American people is that we are not penalizing any citizen when we require him to support his own family when he has the means with which to support that family.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WHITTINGTON. Is it not true that under the terms of this bill, as was the case of the amendment we just considered a few minutes ago, if there is property of value not needed by the agencies, that the Department of Education will have the first call? If it has no value it can be transferred without being paid for.

Mr. MILLER of Connecticut. That is certainly my understanding of the bill, and I believe it is a generous and adequate provision.

### Is the C. I. O. Political Action Committee Above the Law?

#### EXTENSION OF REMARKS OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1944

Mr. WOODRUFF of Michigan. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include an article by one of the most outstanding newspapermen of this country. This man discusses a question which must be uppermost in the minds of a great many people in this country today and that is "Is the C. I. O. Political Action Committee Above the Law?"

(By George Rothwell Brown)

In the fourth-term campaign of 1944 Republicans for the first time in our history are being compelled by law to contribute money to the opposition, to be used for the defeat of candidates of their own party, including President, Vice President, Governors, Senators and Members of the House of Representatives.

This is only one of the many developments of the left-wing technique now being unfolded throughout the republic which is as alien in its origin as it is foreign to the American tradition of fair play.

These campaign funds which Republicans are now chagrined to see being used to purge Republicans from public life, have been collected in the guise of union dues.

As the subtle leaders of the labor end of the Roosevelt New Deal coalition began to lay their plans for taking over the political control of the moribund Democratic Party, they succeeded in having the "check off" given statutory authority.

Immense sums poured into the treasuries of organized labor unions.

These sums became fabulous as America drew the sword and prepared for war on every world front.

Thousands of new workmen were needed to build barracks and hospitals for the soldiers, to lay the keels of ships, to make tanks, and planes, and guns, and munitions.

There they found the union collector awaiting them. They made the painful discovery that they could not serve the Federal

Union without first paying tribute to a labor union.

They could not work for Uncle Sam, in his great hour of need, until they had joined a labor union and had paid their dues.

Some unions, more arrogant than others, demanded initiation payments that bordered on the exorbitant.

A committee of the House of Representatives went into the subject, and produced startling evidence of a labor racket.

What, wondered our unsophisticated Congressmen, did the unions intend to do with all the hoard of money they were piling up?

Well, they know now. The C. I. O. has an immense fund, hundreds of thousands of dollars of which were contributed by good Republican voters who wanted to work for their Government in time of war, and found themselves forced to become, dues-paying members of a labor union.

To get around the Hatch Act the C. I. O. has invented a couple of devices to enable it to spend money for campaign purposes notwithstanding the law.

The C. I. O. Political Action Committee is above the law.

Thus conservative Democrats and an army of Republican working men and women behold the money they paid into the coffers of the union bosses being used to defeat conservative Democratic and Republican candidates for office, and to perpetuate left-wing control of Government through a fourth Roosevelt term.

### Dewey and Foreign Policy

#### EXTENSION OF REMARKS OF

HON. MICHAEL J. KIRWAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1944

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an editorial from the Dayton (Ohio) News:

#### DEWEY AND FOREIGN POLICY

Seizing an interval in the war news, Governor Dewey breaks into view this week with an expression of apprehension lest President Roosevelt and Secretary of State Cordell Hull are planning to be insufficiently international. His dread of the moment is that they might lead our country into a four-power alliance with our present allies, leaving the little peoples of the world out in the cold. "Beware," Governor Dewey says in effect, "I've got my eyes on you."

If Governor Dewey had read the papers he would know that both the President and Mr. Hull have time without number and time out of mind held to the view that the coming world cooperation must be world-wide, with every nation in it as its equal right, with even Japan and Germany, once their present evil controls were loosed and proof given of peaceful intentions, to be received. The full course of the administration, beginning with the good-neighbor policy, has expressed this view.

Roosevelt and Hull, as we pointed out yesterday, were upholding this course when Dewey himself, speaking in isolationist Wisconsin in 1940, was saying: "We cannot possibly remain strong and free unless we reject every entanglement in the affairs of Europe."

The man who said those words 4 years ago is complaining that the administration at Washington is not sufficiently entangling itself in the affairs of Europe and the world.

It is about as if Colonel McCormick, arch isolationist, should suddenly attack the administration for isolationism.

One of the chief problems of the political campaign now opening is evidently to be to get a line on Governor Dewey's international views without collapsing from dizziness. Dewey, as his past commitments on this subject are scanned, has been on all sides of all the issues of the pre-war years, and all the issues yet to come with the post-war years. So strangely diverse and contradictory have his statements been that one is compelled to wonder whether he actually has any views on this vital subject of his own. Can it be that, as events call for an expression from him, he merely puts on a phonograph record and gets the wrong one as often as not?

Here he is attacking the President for an alleged plan to form an alliance with our allies in the war. Heaven help us, and last September 5, at the Mackinac conference, Dewey was pronouncing himself in favor of a permanent alliance with Great Britain. A reporter asked Dewey: "Do you advocate or recognize the possibility or probability of a military alliance between the United States and Great Britain, to continue on a formal basis?" Dewey replied:

"I should think that would be in our interest. We have long had close military relationship with Great Britain, and the American people never suffered such a shock as they did when they felt that the British Navy might be seized by the Nazis."

For an alliance with Great Britain 11 months ago; attacking the administration now on a trumped-up charge that it is for an exclusive alliance with Great Britain—and our two other allies—now.

Dewey went on in this interview of last September 5 to express the hope that Russia and China would be included in the alliance which he favored. This makes the total alliance which he attacks today. About that time the horrified Colonel McCormick cracked the Governor fiercely on the head for his heresy. Is this week's somersault of the Governor an effort to placate the great Chicago anti-Russia, anti-Britain isolationist?

Dewey included Russia last September in the circle of his benevolence. This in itself was another bewildering swallowing of his own words. He had said in a speech in New York in 1940 that "a conspicuous and most unfortunate departure" of the New Deal from sound foreign policy "was the recognition of Soviet Russia." Dewey went on to say: "We need no such partnerships." In Cleveland, in November that same year, Dewey gloried in the fact that it was no Republican "accredited recognition to the Union of Soviet Socialist Republics."

So in 1943 Dewey was proposing that partnership with Russia for which in 1940 he had said we had no need. And now, this August 1944, he attacks the administration with the allegation that it favors such a partnership.

Examples of such unbelievable contradictions and back trackings by Candidate Dewey in the past 4 or 5 years can be multiplied by the dozen. In 1941 he was at first against lend-lease. It "would bring an end to free government," he said. A month later he was for lend-lease, for making an end, we must suppose, to free government. In 1940 he charged the President with sacrificing the friendship of other nations. Today he charges the President with too much friendship with other nations. Today he denounces the President for too little internationalism. In Illinois yesterday he was exalting the adoring approval of Colonel McCormick's isolationist Senator Brooks for his isolationism.

A plane carrier, the Navy men tell us, has to be quick on the turn, the reverse, the sid-slip in order to dodge the bombs of the enemy. From what we now see of Governor Dewey and his flea-like course on foreign



policy, he would make an excellent captain of a carrier. But as captain of the great American Ship of State, a vessel whose course today must have some reference to its course yesterday and tomorrow, that is terribly different. A nation made seasick by Governor Dewey's strange dippings and tossings cannot but be apprehensive as it tries to keep track of his curves.

### Peace and the Free Press

#### EXTENSION OF REMARKS

OF

**HON. JOHN W. McCORMACK**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1944

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Sunday Globe of July 30, 1944:

#### PEACE AND THE FREE PRESS

When Adolf Hitler was shaping his conspiracy against the peace of the world during the middle thirties, he and his Italian understudy, Benito Mussolini, launched a highly significant campaign. Playing upon the all-too-evident disrelish of their neighbors for war, the two dictators proposed, boldly and openly, to France, Britain and the United States, that the first step toward preservation of the peace was to destroy the freedom of the press everywhere, in conformity with the practice already established in Germany and Italy.

These proposals were received with laughter in London, Washington, and Paris. The suggestion that governments move openly to convert the press into an agency devoted to concealing the truth from the public, into an instrument exclusively dedicated to the uses of official propaganda, and thus to furtherance of the self-interest of those who happened to be in control of the machinery of rule at the moment, flew in the face of traditions among the three great nations which Hitler and his stooge addressed.

Tight censorship in wartimes was already familiar to them all, especially in view of the experience of World War No. 1. Ever since the Government of Imperial Japan inaugurated, during the Russo-Japanese War, the policy of shutting off all news of military and naval operations, wartime censorship had been accepted as a necessity.

But total censorship in peace, like governmental interference with political news in wartime, has long been recognized among peoples cherishing the ideals of human freedom as constituting a mortal danger to their liberties. Such proposals clash with the fundamental thesis of democratic government. They assail the principle of popular sovereignty at its foundations. For they deny to those who view government as the agent and servant of the people access to the facts and information without which exercise of popular sovereignty becomes utterly impossible.

The motive behind the demand of the dictators at the time had little to do with fears entertained by either of them about the strength of his domestic position. In Italy, and in the Third Reich the press was already prostrate. It had been converted into a propaganda instrument for fascism. What lured the boss of Berchtesgaden and the inflated egoist at Rome was the continuing, steady flow of dispatches from all parts of Europe and the world to the American, British, and French press—dispatches written by

capable, resourceful, and experienced foreign correspondents who cared more for reporting the facts as they found them than for shaping their stories to suit the official views of governments and special interests operating with and behind governments.

It would be incorrect to pretend that such official influences were entirely absent from the fields in which foreign correspondents from the western democracies were accustomed to labor. Pressure from official sources, especially under the Chamberlain regime in Britain, was often exerted to interfere with free flow of the news. A notorious example was the discharge of Mr. G. F. R. Gedye, one of the greatest of English correspondents, by his publisher, after he had spelled out in a devastating volume the story of the betrayal of Czechoslovakia and underlined its inevitable consequences of major war. British appeasers at the time disliked such bold and inconvenient confrontations with facts.

There also has been present in the field of foreign news collecting and distribution especially since the close of World War No. 1, a strong trend toward monopoly controls in the field of foreign news, supported by official influences. Mr. Kent Cooper, the capable and sober-minded director of the Associated Press, has been at pains to analyze these dangers and lift his voice vigorously against them. His account, published last year in an extremely readable volume needs to be kept in mind as evidence accumulates that this issue of freedom of reporting foreign news and freedom from official or monopolistic interference with its dissemination, arises once more.

One of the major tasks before the public in all Allied countries, once the military operations come to an end, will be to retrieve the liberties of the press from the clutch of necessary wartime governmental controls and censorships. Let no one imagine that this will be easy or that the struggle will be won without the exertion of the utmost pressure from the public and the press as well.

The collapse of the Germans and the formal ending of the war in Europe will remove automatically most of the justification for press control and censorship there on military grounds. Political, social, and economic developments will then assume primary importance among all governments. It is inevitable that efforts will be made to spread, into the realm of political reporting especially, a large portion of the censorship stripped of its warrant by the war's end.

The positions of the great allies, their wide interests, the fog which covers most of the peace problems thus far, the eagerness with which special interests will swarm toward the vacuum created in Europe by the debacle of the Germans—these and a dozen other evident probabilities make it imperative that an early start be made to insure complete liberation of the Allied press from official and unofficial censorship with the close of the fighting. Unless that point is pressed strongly, the ability of the people who have made the sacrifices in this war to understand what is being done with their victory will suffer.

It is good news accordingly, to find that Mr. Ralph McGill, editor of the Atlanta Constitution, John S. Knight, president of the Knight newspapers, and Mr. Kent Cooper, in his role as executive director of the Associated Press, have prevailed upon the Democratic Party to place in its platform a clear, strong demand looking toward the reestablishment of the basic principle of freedom of the press, both domestic and international.

"We believe in the world right of all men to write, send and publish news at uniform communication rates and without interference by governmental or private monopoly, and that right should be protected by treaty." Thus the platform plank.

It will be no easy task to translate this wise and sound proposal for freedom in the international flow of news into a treaty as part of the eventual diplomatic liquidation of the war. In large areas of the world, including some controlled by both our major Allies, the effort to achieve a treaty guaranteed foundation for foreign correspondence free of official interference, will not be welcome. Indeed, even in the full tide of war, few Governments permit to the press the elbow room accorded by our own in the field of political reporting and analysis.

The issue, nevertheless, transcends most of the great questions already emerging in relation to any coming peace. It touches the lives of hundreds of millions of people the world over. It affects the question of their future actions, and the materials upon which those actions and the judgments inspiring them shall be formulated. It is second only in importance to the physical freedom of the people.

"They who tamper with veracity," wrote John Morley in his magnificent Essay on Compromise, "from whatever motive, are tampering with the vital force of human progress." They who obstruct or tamper with the flow of truth to society conspire against its liberties and undermine their own.

UNCLE DUDLEY.

### Fort Wayne Plan for Soldier Service

#### EXTENSION OF REMARKS

OF

**HON. GEORGE W. GILLIE**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1944

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I enclose the following editorial from the Fort Wayne News-Sentinel:

Unique in the United States to date is the Fort Wayne plan for soldier service, programmed by the Veterans' Aid Commission, recently established pursuant to ordinance by Mayor Harry W. Baals, as city civilian defense director.

This plan is admirably based upon the integration of the seasoned experience and specialized training received by the model Fort Wayne civilian defense organization's thousands of wardens in all the city's blocks, zones, sections, and districts, together with the 12 soldier-service counselors.

The local program for dealing with every sort of problem confronting servicemen and their families is extraordinarily meritorious; not only in that it is built "from the bottom up," rather than made responsive to "directives" from the top down; but also in that it organizes all the numerous skills acquired by the highly efficient local civilian defense personnel in months and months of preparatory training, dating from the days of blackouts and other such protective-service drills.

As the Veterans' Aid Commission has pointed out, "the flow of returning veterans is only a small trickle now; but it is certainly not too early to start planning for 'the time when it becomes a large stream.'"

For, it has been calculated that by the middle of 1945—at the earliest—some 6,000 Fort Wayne soldiers and sailors will have been demobilized. And their needs and problems are certain to be numerous and varied. It is to deal with these needs and problems, that the Fort Wayne plan for soldier service has been initiated and is being daily advanced.

Mayor Baals, in his entirely nonpartisan capacity as Fort Wayne's civilian defense di-







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 23, 1944, for actions of Tuesday, August 22, 1944)

(For staff of the Department only)

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HOUSE

1. PROPERTY MANAGEMENT. Passed with amendments H. R. 5125, the surplus-property disposal bill (pp. 7272-97). Agreed to amendments by Rep. Whittington, Miss., to prohibit the disposal of any surplus Government-owned plant which cost the Government \$1,000,000 or more, without the approval of the Surplus Property Advisory Board (pp. 7272-6); by Rep. Walter, Pa., 58-23, to prohibit the disposal of Government pipelines costing the Government \$5,000,000 or more (pp. 7276-8); by Rep. Hale, Maine, to prohibit the disposal of any airport until it has first been offered for sale or lease to the State or municipality in which it is located and to all contiguous municipalities (p. 7285); by Rep. Manasco, Ala., to eliminate the requirement for the Departments to publish in the Federal Register every intradepartmental regulation (p. 7285); by Rep. Taber, N. Y., to strike out the provision that no officer or employee of the Government shall "be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor" (p. 7286); by Rep. Manasco, Ala., to require that the Attorney General shall approve the deed or other instrument of transfer in the case of real property (p. 7287); by Rep. Herter, Mass., to provide that "all proceeds from any transfer or disposition of property under this Act shall be deposited and covered into the Treasury as miscellaneous receipts to the credit of a special fund which shall be used exclusively for the reduction of the public debt (pp. 7287-8); by Rep. Kilday, Tex., to provide that nothing in this Act shall impair the provision in the Military Appropriation Act, 1945, which prohibits the sale of any military post, etc., acquired or owned by the U. S. prior to July 2, 1940 (pp. 7289-90); by Rep. Gwynne, Iowa, to provide for penalties under this Act (p. 7295); and by Rep. Magnuson, Wash., (as a substitute amendment for Rep. Mott's, Oreg., amendment which was agreed to Aug. 21) to provide that no combat vessel, station, or establishment shall be sold or otherwise disposed of except in accordance with provisions of existing laws for such purposes and that the Navy Department shall be the sole disposal agent for all such combat vessels, stations, or establish-



ments (pp. 7296-7).

Rejected amendments by Rep. Stefan, Nebr., 22-35, to prohibit the disposal of any surplus Government-owned synthetic-rubber or aluminum plant costing the Government \$1,000,000 or more (pp. 7278-9); By Rep. Larcade, La., to prohibit the disposal of any plant to any person who does not expect to operate such plant at the place where it is located, unless the State and political subdivision thereof shall have had an opportunity to acquire such plant (p. 7281); by Rep. Folger, N. C., to limit recognition of existing options with respect to plant disposals to those consummated prior to June 23, 1944, which are held by the Attorney General as binding on the U. S. (pp. 7281-2); by Rep. Granger, Utah, to provide for the transfer of strategic minerals and metals to the account of the Procurement Division and shall be added to the stockpile authorized by Public Law 117, 76th Cong., June 7, 1939 (pp. 7283-5); and by Rep. Wickersham, Okla., to provide that "all authority and discretion herein conferred upon the Administrator shall, with respect to agricultural commodities and food located in the United States, its territories, and possessions, be vested in and exercised by the War Food Administrator" (pp. 7288).

Rejected Rep. Poulson's motion to recommit with instructions to report the same back with an amendment providing for the establishment of a Surplus Property Board in the Office of War Mobilization and Reconversion (p. 7297).

2. PERSONNEL; SELECTIVE SERVICE. Received Selective Service Director's report of registrants deferred as of June 15, 1944, because of their employment in or under the Federal Government. To Military Affairs Committee (p. 7299.)

3. ADJOURNED until Thurs., Aug. 24, 1944 (p. 7299).

#### SENATE

4. FARM MACHINERY. Sen. Langer, N. Dak., criticized "the plight of the farmers in the Northwest with relation to farm machinery" and inserted constituents' letters on this subject (pp. 7266-9).

5. FARM-LAND ACQUISITION. During the discussion with respect to acquisition of property by the War Department Sens. Shipstead, Minn., and Ferguson, Mich., mentioned the acquisition of "enormous acreages of farm lands" (p. 7264).

6. FLOOD CONTROL. Sen. Overton, La., and others discussed and urged consideration of H. R. 3961, the omnibus river and harbor bill, and H. R. 4485, the Whittington flood-control bill (pp. 7252-5).

7. FOOD PRODUCTION. Sen. Wherry, Nebr., inserted a letter from the Federation of Nebr. Retailers favoring the investigation authorized by S. Res. 309, into the conditions affecting the hog, cattle, poultry, and dairy industries (p. 7251).

8. PROPERTY MANAGEMENT. Military Affairs Committee reported with amendments S. 2065, to establish a Surplus War Property Administration and to provide for the proper disposal of surplus war property (S. Rept. 1057) (p. 7249).

Sen. Hatch, N. Mex., submitted an amendment which he intends to propose to S. 2065, the surplus-property disposal bill (p. 7251).

9. LABOR. Both Houses received the President's message and accompanying recommendations adopted by the International Labor Conference (H. Doc. 671) (pp. 7248, 7271-2).

10. POST-WAR HIGHWAYS. Post Office and Post Roads Committee reported S. 2105, to amend the Federal-Aid Road Act to authorize appropriations for the post-war

## DISPOSITION OF SURPLUS PROPERTY

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AUGUST 22 (legislative day, AUGUST 15), 1944.—Ordered to be printed

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Mr. JOHNSON of Colorado (for himself and Mr. MURRAY), from the Committee on Military Affairs, submitted the following

## REPORT

[To accompany S. 2065]

The Committee on Military Affairs, to whom was referred the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

Your committee has devoted several days of intensive study to this measure, hearing a number of witnesses from the most immediately affected Government agencies, and has had the benefit of extensive hearings held by other committees and of other bills introduced by Members of the Senate.

S. 2065 as amended preserves most of the essential features of the bill drafted by the Surplus War Property Subcommittee of the Senate Small Business Committee, consisting of Senators Stewart, Murray, and Taft. However, the Administrator provided for in S. 2065, as referred to this committee, has been eliminated in favor of an organization headed by a Surplus Property Board, in accordance with the provisions of S. 2045, introduced by Senator Johnson. Provisions prohibiting reimportation of commodities sold abroad, Government competition with private industry, and others were adopted from Senator Johnson's bill. In addition, the provisions of S. 2065 relating to lands have been combined and substantially amended to include the provisions of S. 2078, introduced by Senator O'Mahoney. An important amendment relating to the distribution of agricultural products was introduced by Senator Hill.

## SENATE LEGISLATIVE ACTIVITY

Small business is, of course, most vitally concerned with surplus property legislation and the Senate Small Business Committee's study of the problem extends over several months. On October 28, 1943, Senator Murray, the chairman of the Senate Small Business



Committee, introduced a bill to provide for the orderly disposal of surplus property, and in December this was followed by another dealing with machine tools. As a result of this early recognition of the problem, the Senate Small Business Committee received a large volume of correspondence from trade associations, experts in the field, and individual businessmen which aided it in further study. On March 28, 1944, the early legislative drafts resulting from the studies of the Senate Small Business Committee were made available to Senator Kilgore and introduced as a title in S. 1823. On April 19, 1944, a Subcommittee on Surplus War Property of the Senate Small Business Committee was appointed consisting of Senators Stewart, Murray, and Taft. This subcommittee has been actively at work and conferences have been held with the Surplus War Property Administration, the Department of Justice, Budget Bureau, Smaller War Plants Corporation, and numerous trade associations. Following its study, the subcommittee issued a report on July 21, 1944, which constitutes a thorough treatment of the problem. S. 2065, the bill drafted by the Senate Small Business Committee and referred to your committee, represents the product of almost a year's study of the question.

Several committees held hearings on this problem: Senator George's Post-war Economic Policy and Planning Committee on general war disposal questions, Senator Hill's Committee on Executive Expenditures in connection with Government property management, and Senator Murray's War Contracts Subcommittee in connection with such legislative proposals as S. 1718, S. 1730, S. 1823, S. 2045, and S. 2065. These hearings furnished valuable background for your committee's studies.

#### SCOPE OF SURPLUS-DISPOSAL PROBLEM

Your committee, in reporting S. 2065, as amended, a bill to aid the reconversion from a war- to a peace-time economy by providing for the distribution of Government surplus property, is fully mindful of the tremendous problem with which it is dealing. Estimates of the value of surplus Government-owned property available for distribution at the end of the war vary from 50 billion dollars to 112 billion. Of course, the bulk of this material will consist of weapons of war unsuitable for any peacetime use. However, it is certain that there will be many billions of dollars of consumers' goods available to supply the accumulated demand of war-imposed civilian shortages; to provide a large part of this Nation's contribution to foreign relief; and to stimulate new demands for new civilian-type products, largely unknown, or at least unavailable to civilians in pre-war times.

At least a third, and probably more, of the Government's \$15,000,000,000 investment in plants and equipment will be convertible to peacetime uses. The disposition of the Government-owned plants constructed to supply the expanded need for steel, light metals, chemicals, synthetic rubber, and high-octane gasoline will have a profound effect on the future industrial structure of the Nation. In addition to these integrated facilities, the Government has several billions of dollars invested in such equipment as machine tools, whose wartime production amounts to 20 years' normal supply,

and in structures which may, if properly used, house the thousands of new enterprises needed to supply peacetime employment to millions of war workers.

## OBJECTIVES OF S. 2065

Your committee feels strongly that these vast Government holdings can prove to be a great national asset if their disposition is properly handled. The objectives to guide the surplus property agency in achieving these ends are set forth in section 1 for all classes of surplus property, as follows:

- (1) to assure the most effective use of such property for war purposes;
- (2) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;
- (3) to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;
- (4) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;
- (5) to strengthen and preserve the existing cooperative organizations, and to encourage the extension of the cooperative movement;
- (6) to aid honorably discharged servicemen to establish and maintain their own small business or agricultural enterprises;
- (7) to assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;
- (8) to provide for the utilization of surplus property to the fullest extent practicable in furtherance, under appropriate controls, of programs meeting certain important public needs referred to in section 12 hereof;
- (9) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of such surpluses in other countries.

These general objectives are directed toward using the vast stocks of Government-owned goods to foster a system of genuine free enterprise; to strengthen the position of small businesses and the traditional family-sized farms as the cornerstone of the American way of life; to assure to our boys returning from the battlefields the fullest opportunity to find their place in such a system; to use surplus property to raise the standards of nonprofit educational and medical services to the people; and finally, to promote amicable and expanded trade relationships so essential to post-war prosperity.

The bill which your committee is reporting states these objectives in more precise form for the two major classes of surplus property with which this bill is principally concerned. In the case of consumer goods, the major emphasis is placed upon achieving their prompt and full utilization—

at fair prices to the consumer \* \* \* with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping.

By recommending the use of normal channels of trade and commerce the bill makes clear that no return to the system of Government-owned Army and Navy stores, employed after the last war, is desired.

In the case of plants and equipment and materials for use in furthering production, the emphasis is placed on the promotion of maximum production and employment and the smooth transition of enterprise from war to peace.



## ORGANIZATION FOR SURPLUS DISPOSAL

The proper fulfillment of the objectives stated in section 1 of the bill which your committee is reporting demands the careful weighing of many factors with a wise judgment soundly founded on public interest. The nature of the responsibility to be undertaken is such that it should be entrusted to a board of public officials, appointed by the President and confirmed by the Senate, rather than to a single administrator. The unified effort which we have achieved to win the war must be preserved, if we are to solve the difficult post-war problems which lie ahead; this objective demands that all sections of our people have a voice in determining the policies to be followed. Accordingly, the bill specifies that the eight members of the Surplus Property Board shall be selected with

due consideration to the various geographical areas and economic interests of the Nation.

The Board is to function within the Office of War Mobilization to coordinate its policies and procedures with those of the other agencies in this Office dealing with demobilization.

## CONGRESSIONAL REVIEW OF DISPOSAL

Congress cannot fully discharge its responsibilities by the creation of administrative apparatus alone. Continued congressional review is essential to assure the fulfillment of the objectives of the act. Accordingly section 2 provides that two Members from each House of Congress be selected to attend meetings of the Surplus Property Board and report to their respective Houses on the proceedings of that organization.

To be successful, the Surplus Property Board must work in close cooperation with other agencies in the executive branch of the Government. Accordingly the bill creates a Surplus Property Advisory Council consisting of the heads of those Government agencies which are most directly affected.

## DUTIES OF SURPLUS BOARD

Section 3 sets forth the duties of the Board. This bill centralizes authority and responsibility in the Board and provides that it shall maintain supervision over the disposition of surplus property by the Government agencies to which it assigns the operating functions of disposal; prescribe regulations assuring wide public notice and adequate opportunity to buy; plan feasible methods of achieving suitable preference to veterans; and to assure all classes of the national community, including farmers, small businessmen and cooperatives, a fair opportunity to buy surplus materials required by them.

Section 4 of the act grants to the Board the full authority to dispose of surplus property, thereby centralizing responsibility for the fulfillment of the objectives of the act. Section 5 provides that the Board may delegate its authority to the agencies which carry out the operating functions of disposal.

Following World War I, many of the goods disposed of abroad under the duress of demobilization, found their way into the hands of speculators and were subsequently reimported into the United States; therefore, section 6 prohibits the reimportation of goods sold for export to be disposed of abroad.

## DISPOSITION PLANS FOR KEY INDUSTRIES

The provisions of section 2 with reference to congressional review are strengthened by additional provisions in section 7. This section provides for specific data in quarterly reports to Congress from the Board. In addition to such continuous review of the Board's activities, it is important that Congress participate fully in the formulation of policies for the disposal of major classes of property. Accordingly section 7 (b) provides for detailed reports on the nature of the property, the economic problems involved in disposition, and the plan for disposition proposed by the Board for the following classes of property:

(1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities; (10) shipyards; (11) transportation facilities; and (12) radio and electrical equipment.

For the first eight classes listed above, full congressional control is maintained by providing in section 2 (c) that such property may not be disposed of until 30 days after the submission of the reports to Congress concerning these classes of property. Your committee feels that these provisions strike a happy balance between a freeze on the disposition of such property which would hamstring the disposal agency, and a sweeping grant of authority to the Board to dispose of major national assets. Your committee has no desire to repeat the World War I history of Muscle Shoals by requiring Congress to perform the administrative task of acting on the disposition of such plants, industry by industry. On the other hand, your committee holds that Congress would not be fulfilling its obligations to the people if it permitted disposition to proceed without full knowledge of the plans for such disposition.

## INDUSTRY ADVISORY COMMITTEES

Businessmen, anxious to avoid the evils of disposition which occurred after the last war, have placed great stress on the importance of an adequate system of industry advisory committees. Trade associations, convinced that many errors might arise from insufficient knowledge of the detailed problems of trades and industries, have been unanimous in urging advisory committees. Section 8 of this bill provides that the disposal agencies may establish such committees. The War Production Board, the Office of Price Administration, and other war agencies have found such committees important aids. However, there has been widespread criticism of the committees established by these agencies, with the opinion frequently voiced that they have afforded a dominant voice in their councils to the representatives of the larger business groups. Without attempting to apply a rigid formula for representation, section 8 provides that such committees shall be fairly representative of the larger business units, including retail and wholesale distribution firms, smaller businesses, and labor, farm, and consumer groups. Your committee wishes to guard against any possibility that these groups should go beyond advisory functions and preempt for themselves policy-making author-



ity which might be used restrictively. Section 8 makes this clear and provides certain safeguards, suggested by the Attorney General, against monopolistic practices.

#### DETERMINATION OF SURPLUSES

An adequate mechanism for the determination of what is surplus is clearly an essential part of any surplus disposal bill. Over-all definitions of surplus are of little value in making such a determination because property is not controlled by the Government as a whole, but by individual agencies. Property becomes surplus in relation to the requirements of individual agencies based on their individual needs and responsibilities.

Section 9 provides that the responsibility for determining what is surplus falls primarily on the individual agencies. Every agency is required by this section—

continuously to survey the property in its possession or control \* \* \* to determine which of such properties is surplus to its needs and responsibilities and to report (such) property promptly to the Board.

Section 9 (a) cautions the War and Navy Departments to retain control over Government-owned facilities which they find to be necessary for the defense of the United States. The War and Navy Departments are the principal agencies owning property subject to this act.

However, it is important that the Board have some control over the rate at which surpluses are declared since this will in turn be a crucial factor in assuring the smooth flow of surpluses onto the market and their utilization to promote employment. After the last war there were criticisms that the Army refused to release road-building equipment for disposition to State highway departments where it was needed to provide employment during the demobilization period. Similarly, the Quartermaster Corps refused to release consumer-type goods in the face of sharp rises in the cost of living until forced to do so by strong congressional pressure. Section 9 (b) provides that the Board may report to the Congress property in the control of the owning agencies which it feels should be declared surplus and to require reports from the owning agencies necessary to make such a determination.

Sections 9 (c) and 9 (d) provide the disposal agencies with the authority necessary to carry out the mechanics of disposition, subject to the authority of the Board.

#### DISPOSAL IN A "GOLDFISH BOWL"

The Baruch-Hancock report urged a "goldfish bowl" policy of surplus-property disposal to eliminate profiteering in surplus disposal and assure fair prices to the consumer. To carry out this policy section 10 provides that full records of the inventories of surplus property and of each of the disposal transactions shall be maintained in each disposal office and that the information from such records shall always be open to public inspection.

## DISPOSAL TO FEDERAL AGENCIES

Clearly, the first thing to do with property which is surplus to one agency is to determine whether or not there is another Federal agency which can find a legitimate use for it. One of the principal arguments for the type of centralized authority, provided in this bill, is the assurance it offers against the possibility of one Federal agency selling surplus property while another agency is going to the commercial market for the same article. Section 11 (a) instructs the Government agencies to go first to the surplus property pools of other agencies before filling their needs through commercial channels. The Board is charged with the responsibility of determining whether Government agencies are using such surpluses to the maximum extent in filling their needs.

The War Department, Navy Department, and Maritime Commission are given special consideration in section 11 (b). It is expected also that much of this Nation's contribution to the United Nations Relief and Rehabilitation fund can be supplied by transfer to the Government agency responsible for United Nations Relief and Rehabilitation Administration procurement.

However, your committee has no desire to grant agencies property in excess of the amounts which Congress would ordinarily allot to them through appropriations simply to give the appearance of utilizing surpluses. Property acquisitions in excess of congressional appropriations would clearly be adding to the surpluses of the agencies receiving them whether they regarded such material as surplus or not. Section 11 (b), therefore, provides that transfers between agencies shall be made with due charge to the appropriations of the agencies, as determined by the Bureau of the Budget, which was established by Congress to control all appropriations.

## DISPOSAL TO MEDICAL AND EDUCATIONAL INSTITUTIONS

Your committee has indicated earlier in this report that the great stock of surplus property which will be held by the Government at the end of the war should be regarded as a national asset. The opportunity these surpluses offer for improving or raising the level of the equipment in the schools, colleges, and medical institutions underscores this point. It has been estimated that the Government will hold \$264,000,000 of surplus medical and dental supplies at the war's end. This is small—only a fraction of a percent—of the estimated totals of fifty to one hundred billion dollars of all classes of surplus. It is tremendous, however, in relation to the annual production of medical and dental supplies. It offers encouraging possibilities for improving the standards of medical service offered by our tax-supported and nonprofit medical institutions, especially in areas whose facilities are particularly inadequate.

Similarly, a training program for 11,000,000 men is bound to leave as surplus enormous stocks of equipment suitable for educational uses. All of the machine tools necessary to properly equip our vocational schools and technical and engineering colleges can be



supplied without making any significant dent in the surplus of such articles. Surplus, obsolete, combat-type airplanes, unsuitable for any civilian use, can still serve to further American progress in aviation and to promote the national defense by their use as objects of first-hand study for the mechanics and engineers of the future. Sections 12 (a) and 12 (b) permit the donation through the Federal Security Agency of surplus property suitable for educational and medical uses, respectively, to tax-supported and nonprofit institutions.

#### DISPOSAL TO LOCAL GOVERNMENTS

The same considerations that make it desirable to transfer surplus property from one Federal agency to another, apply in large measure to the transfer of surplus property to other non-Federal tax-supported institutions and, in some measure, to those institutions supported by public donations. It is clear that such agencies should be the principal recipients for surplus property the care and handling of which would exceed the profits of commercial sale. In addition, it is desirable to give such tax-supported and nonprofit institutions a favored position in the acquisition of other surplus property. Accordingly, section 12 (c) provides that States, their political subdivisions, tax-supported institutions, and other nonprofit institutions, shall receive a discount of 50 percent in the purchase or lease of surplus property.

Section 12 (b) gives the Board authority to apply suitable controls to make certain that the benefits of section 12 do not become subject to abuse.

#### DISPOSITION BY OWNING AGENCIES

Your committee feel that this bill provides adequate safeguards against the disorderly disposition of surplus property. Such safeguards involve restrictions on the free movement of goods. It is important that these restrictions are not applied to certain normal sale or other disposition of goods by the Federal agencies, particularly those associated with war production. Section 13 (a) permits the war agencies to dispose of property for the purpose of war production and to authorize contractors with such agencies to dispose of contractor inventories for the purpose of aiding in the prosecution of the war and for the common defense, subject only to the regulations of the Board with respect to price policies. This should insure against any interference with the war effort through the operations of the necessary restrictions of this bill.

There are, however, disposition activities of many Government agencies not necessarily connected with the prosecution of the war which it would be unwise to unnecessarily restrict. Section 13 (b) permits the owning agencies to dispose of certain worthless property and incidental products of industrial, research, agriculture, or live-stock operations carried on by such agencies without declaring the property to the Board as surplus. In addition, this section permits public works construction or maintenance projects to dispose of their physical products, such as electric power. The bill S. 2065, as referred to the committee, permitted owning agencies to dispose of contractor inventories in their control. It has been estimated that such contractor inventories may amount to \$8,000,000,000 in value

by the end of the war. There seems to be no sufficient reason for permitting the disposition without restriction of such inventories for peacetime purposes, accordingly and this provision was stricken from the bill.

As an additional safeguard against the abuse of the latitude permitted by this section, section 13 (c) charges the Board with the responsibility for reviewing the disposal actions under this section and permits the Board to restrict the authority of the owning agencies when it finds it necessary.

#### PROTECTION TO SMALL BUSINESS

The survival of the system of private enterprise depends in a large measure on the continued strength of the small businesses in our economy. The independence, initiative, flexibility, and resourcefulness of small business are essential ingredients of an expanding economy in which new processes of technology can be effectively tested and introduced. The maintenance of full employment in the post-war years will require the full utilization and substantial expansion of the facilities of small business. The demands of war production forced the Government to expand the capacity, particularly, of mass-production industries and this has served to tip the scales still further on the side of big business. The disposal of surplus war property should not serve further to aggravate these tendencies; instead, it should be administered so as to restore and expand the role of small business in our national economy.

To this end, S. 2065 contains specific safeguards for small business in section 14. First of all, it is important, as provided in section 14 (a), to give uniform and wide public notice to the sale of surpluses so that small business has an opportunity to learn about them, and then to sell in such lots and on such credit terms that small business, once they have located surplus property, can bid for its acquisition on equal terms with the largest firms.

At best, however, small business can offer a market for only a portion of the tremendous flood of war surpluses which will descend upon us after the war. The disposal agencies are certain to look to large buyers as the outlet for much of the surplus property with which they are charged with disposal. The disposal agencies, in spite of all the general policy statements of Congress, may be tempted to adapt their procedures to mass disposal suitable only for large purchasers unless special protection is afforded small business through an agency specifically established for that purpose. The experience of the first months of the war production, in which contracts were let principally to a handful of large concerns, can serve as an example of what might occur in surplus disposal. The war agencies, charged with the task of arming the Nation, tended to give all their contracts to those companies with apparently ample facilities. It was clear to any procurement officer, however inexperienced, that a large corporation in the metal-working field had the facilities for producing armaments. It was more difficult to search out the small concern and combinations of such concerns who could handle the job; the facilities of these small concerns were left idle while the large corporations took on contracts, in some instances, far in excess of their ability to produce. These considerations led Congress to establish the Smaller War Plant



Corporation, through Public Law 603, to aid channeling an increased portion of the war contracts to small business concerns.

In Public Law 603, the Smaller War Plants Corporation is charged with the duty of bringing the production facilities of small business to the attention of the war agencies. When such methods failed to utilize capacities of small business, the Corporation was further authorized to take prime contracts in its own name and to subcontract to small concerns. In so authorizing the Smaller War Plants Corporation, Congress had no intention and did not establish a parallel war procurement organization.

Section 14 provides a similar role for the Smaller War Plants Corporation in surplus disposal. Section 14 (b) charges the Corporation with the responsibility of making surveys to determine the needs and requirements of small business and to search out cases of discrimination. Section 14 (c) directs the Corporation to obtain full information on the needs of small business and to furnish guidance concerning surplus disposal among small business enterprises. Section 14 (d) calls upon the Corporation to recommend legislation when necessary to remove discriminations against small business. Section 14 (e) gives the Corporation the power to purchase surplus property for resale to small business when such disposition is required to carry out the small business provisions of the act.

Section 14 (f) permits the Corporation to make or guarantee loans to small business enterprises in connection with the acquisition of plants and facilities.

#### AGRICULTURAL COMMODITIES

The disposal of agricultural commodities presents peculiar difficulties in view of existing laws which require the Government to support prices on several important items for a period of 2 years after the war. In studying the situation, your committee has conferred freely with representatives of the principal farm organizations and with representatives of the appropriate executive agencies of the Government. The dumping of farm commodities offers exceptional hazards, both because of their perishable nature which might make an ill-advised disposal agency prone to follow this line of least resistance, and because of the statutory obligation of the Government to maintain support prices.

In this conjunction, your committee has deemed it wise to place responsibility on the War Food Administrator or his successor in office for the formulation of policies with respect to the disposal of agricultural commodities. This is appropriate not only because he is required by law to administer the support price statutes, but he is in the most advantageous position to supervise farm products disposal.

Moreover, since the support-price legislation also includes cotton and woolen goods, it was deemed necessary to include these also among the surplus property under his general supervision. Hence, the bill would require the War Food Administrator's approval in the disposition of any commodities manufactured from agricultural products by the Board or any disposal agency.

## ANTIMONOPOLY

Your committee has given extensive study to the problem of securing the national economy against monopolistic aggrandizement. It has dealt specifically with several of its manifold aspects as they may affect the disposition of surplus property.

Section 16 of the bill would require the Board, in beginning negotiations for the disposal of any plants or other property costing a million dollars or more, to seek advice of the Attorney General. It shall be the duty of the Attorney General to advise the Board or the disposal agency whether the proposed disposition would either violate the antitrust laws or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially.

The Board or disposal agency must assist the Attorney General by furnishing him any requisite information it may possess essential to the Attorney General's determination, and the Board or disposal agency shall be bound by his decision.

Both in the interest of promoting production and employment and further discouraging monopolistic practices, your committee has required continued operation of plants disposed of to private industry. This operating clause is obviously important to the promotion of production and employment. It also has an indirect bearing upon the monopoly question, for monopoly or undue concentration of industry may sometimes be effected, not in the operation, but in the closing of a plant that otherwise might provide competition in a given field of industry.

## CONDITIONAL SALES

Hence, section 17 of the bill would provide that every contract for sale or lease for 2 years or more of the plant shall be made upon the condition that the buyer or lessee agrees to maintain it in substantial operation for a 2-year period. This provision however, takes into account conditions under which such plants may be introduced into post-war industry. If the plant must be converted to a new use, or for any other reason cannot be operated immediately upon its sale, this would be considered and the period of operation would not begin until a reasonable opportunity for conversion is afforded. The provision is likewise qualified by allowance for interruptions beyond the control of the purchaser.

Virtually all of the Government-owned plants carry an outstanding option to purchase in favor of the contractor operating plant. The committee has been advised that while standard options have been used in the great majority of cases, hundreds of varieties have been employed. In his testimony before this committee last April, the Attorney General questioned the validity of some of these options as against public policy. As an example, he cited an instance of an option that would prohibit the use of a plant for commercial purpose for a period of 20 years. Many of the options now outstanding are held by great corporations which dominate their industries.

To the extent that they are against public policy, it is the belief of the committee that they should not be honored. Hence, section 18



of the bill provides that every existing option shall, before it is consummated, be submitted to the Attorney General for his opinion as to its validity. The Attorney General can immediately pass on the validity of the standard option covering the bulk of property covered by options.

#### STOCK PILING

Section 21 implements one of the soundest national defense policies conceived by this Government, that of the Stock Piling Act of June 7, 1939 (53 Stat. 811). This legislation, introduced by Senator Thomas of Utah, was reported to the Senate by this committee. It provides in effect that all Government-owned accumulations of surplus strategic minerals and metals be held as a reserve for the common defense in the event of a future war emergency. Strategic minerals and metals, which are determined upon by the Army and Navy Munitions Board, can be stock-piled in the form of ore, concentrates, alloys, scrap, or fabricated articles which have lost their original utility and whose commercial value is not greater than the metal market price of component strategic minerals and metals.

The loss of our far-eastern bases, the inroads of German submarine warfare during the early parts of the war, and shipping shortages which had deprived us of ready access to badly needed minerals and metals demonstrated the wisdom of the Stock Piling Act of June 7, 1939. Those same considerations, in the judgment of the armed services and of this committee, justified the addition to the stock pile contemplated by this act.

#### SURPLUS REAL PROPERTY

This section consolidates the comprehensive provisions of S. 2078, introduced by Senator O'Mahoney and dealing with all federally owned lands, with certain specific policies laid down for agricultural lands in S. 2065. The consolidated provision provides in effect that—

(1) An all-inclusive central inventory is to be kept by the General Land Office of all lands owned by the United States, to serve as the basis for the orderly disposition of all surplus real property belonging to the United States. It was felt that the long and satisfactory history of the General Land Office as a custodian and repository of records of publicly owned land justified its selection as the agency charged with this responsibility.

(2.) All real property, except housing, the public domain, and property directly connected with plants and facilities is to be classified as to prospective use for agricultural, mineral, grazing, or other purposes by the Secretary of the Interior and the Secretary of Agriculture, acting in conjunction. The Director of the Office of War Mobilization is charged with the duty of reconciling differences that may arise.

(3) Land which is classified as agricultural land suitable for disposition under the Bankhead-Jones Farm Tenant Act is to be disposed of by the Department of Agriculture in accordance with the provisions of that act. Land which is suitable for disposition in accordance with the various statutes administered by the Department of the Interior is to be disposed of by the Secretary of the Interior in accordance with the relevant statutory provisions. It was the considered

judgment of this committee, based both on the testimony of witnesses before it and before the Senate Meade Committee Investigating the National Defense Program, that the administration of these lands should not be left to the Reconstruction Finance Corporation, which has been designated as the disposal agent under the current Executive order, but should be assigned to these two agencies for administration in accordance with established congressional policies and with programs which have a long and satisfactory history.

#### REPURCHASE RIGHTS

(4) In the case of lands acquired by the Government during the present war, a first preference to repurchase was given to (a) former owners of the land, (b) direct lineal heirs of such former owners, and (c) tenants operating such lands. The price for such lands was to be either that paid by the Government, plus or minus the increased value or damages resulting from changes with respect to the land or the current market price, whichever is the lower. Despite possible administrative complications involved in giving notice to such parties and in computing the sales prices of such lands, the committee was of the view that social equity and the desirability of maintaining the Nation's agricultural tradition of family-size farms justified the assignment of this preference.

(5) Subject to the advantage given former owners, their lineal heirs and tenants, veterans (and their spouses and children) are assigned a preference in the acquisition of surplus real property. This preference is applicable to all surplus real property, regardless of whether the veteran intends to use it for agricultural, residential, or small-business purposes.

(6) As a general policy in the disposition of surplus agricultural lands, the promotion of family-size farms and the avoidance of current inflated real-estate values is stressed. This is consistent with the long-established program of the Department of Agriculture and the recent warnings of Secretary Wickard as to the dangers to our economy that lie in such inflation.

#### PENALTY AND FRAUD PROVISIONS

Section 23 (a) exempts officers or employees of the Government disposing of property under this act from liability with respect to such disposition except for their own fraud, and from accountability for the collection of any purchase price that is determined to be uncollectible. It was felt that this provision was needed because of the wide discretion, which must be permitted persons charged with disposition, under circumstances calling for swift action, of the tremendous volume of surplus property covered by this act. If this provision were not present in the act, it is doubtful whether the Government could recruit a staff large enough to handle the large-scale program entailed by the disposition of surplus property.

Subsection (b) of this section deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities, or conceal or misrepresent material facts, or act with intent to defraud the United States, or who enter into an agreement or conspiracy or cause other



people to do any of the foregoing. The United States is given the option of electing among three different measures of damages—

(1) Any person engaged in such activities can be sued for the sum of \$2,000 for each such act, plus twice the amount of any damage sustained by the United States, plus the cost of suit.

(2) The United States may recover from such person twice the consideration which he agreed to give to it.

(3) The United States may keep the property acquired by reason of the above-described fraudulent activities, plus the consideration given to it for that property.

#### VENUE

It should be pointed out that these provisions are exclusive of any other civil remedies which the United States may have and of such provisions of the Criminal Code as relate to fraud (18 U. S. C. sec. 80) and conspiracy (18 U. S. C. sec. 83). The district court wherein the person committing the above-described acts, resides, or is found is given jurisdiction to try and determine the suits brought by the United States for damages and to bring witnesses within their jurisdiction.

Another provision which it is felt will be most conducive to the honest administration of this act is the requirement that people employed under it shall not take employment with, or act as counsel, attorney, or agent for, persons to whom they have disposed of property, for a period of 2 years after their employment or service with the United States has ceased. This provision is in accord with general Government practice and recent reconversion legislation passed by the Congress.

As was provided in the Contract Settlement Act of 1944, the statute of limitations with respect to offense against the laws of the United States arising in connection with activities under this act was suspended until 3 years after termination of hostilities in the present war. This provision has been necessitated by the magnitude of the operations involved under this act, and the intensive preoccupation of both participants and witnesses with the war effort. It is clear that the bulk of the offenses cognizable under this statute will not be apprehended or investigated until the end of the war and will then require considerable time before they advance to the stage of litigation.

#### MISCELLANEOUS PROVISIONS

Section 26 authorizes the Board to dispense with the requirements of existing law for competitive bidding except in situations where competitive bidding will better effectuate the objectives and policies of the act. It should be clearly understood that this provision is not in derogation of the strong mandate in this act in favor of the dissemination of the widest possible notice of prospective disposals and of the extension of free and nondiscriminatory opportunities to acquire Government surplus property.

Section 27 restates the conventional policy of this Government that all proceeds from the transfer or disposition of property be covered into the Treasury as miscellaneous receipts, but recognizes three necessary qualifications to that general rule. In the first place, where

the property disposed of was acquired not by appropriated funds but by funds which are reimbursable from taxes or other revenue or receipts, the interested agency may request that the proceeds be credited to that fund or paid to the owning agency. Second, Government agencies disposing of property are allowed to deposit in a special account with the Treasury of the United States whatever they deem necessary to permit refunds to purchasers on payments for breaches of warranty, and to withdraw the amounts so to be refunded or paid. Finally, subsection (d) recognizes that contractual provisions authorizing the proceeds of sales of property to be credited to the price or cost of the work covered by the contract are controlling, and are not subject to the requirement for covering into the Treasury as miscellaneous receipts.

Section 28 contains various provisions with respect to the authority of Government agencies to utilize funds appropriate or available to them for the purposes of this act. These provisions are in accord with the best Government practice.

#### AUTHORITY OF COMMANDERS

Section 29 (a) contains a necessary qualification that nothing in the act shall limit the authority of commanders in active theaters of military operations to dispose of property in their control. Subsection (b) of that section takes account of the peculiar problems which will arise in connection with foreign disposal by allowing the Board to make exemptions from the provisions of this act for property located outside of the continental United States, its Territories, and possessions.

Section 30 is designed to protect the interests of bona fide purchasers or lessees. It makes instruments purporting to transfer title or other interests in surplus property under this act which are executed by the Board or the appropriate Government agency conclusive evidence of compliance with the provisions of the act.

The next section is intended to clarify the relationship of this act to other Federal legislation conferring authority to dispose of property. It is specifically set forth that nothing in this act shall impair or affect the price control, rationing, and allocation provisions set forth in relevant wartime legislation, and the statutes with regard to war housing, public lands, the Tennessee Valley Authority, and the export of property from the United States.

Section 32 contains a separability clause.

#### DEFINITIONS

The definitions used in section 33 are largely self-explanatory. However, something may be said with respect to a few of these definitions.

"Owning agency" means any Government agency having control of property when it is determined to be surplus to the needs and responsibilities of that agency. Chief among the owning agencies are the War and Navy Departments.

"Disposal agency" is an agency designated by the Board to handle the disposition of one or more classes of surplus property. The act named four disposal agencies, the Maritime Commission for merchant



vessels, the War Food Administration for surplus agricultural commodities, and the Departments of the Interior and of Agriculture for specified classes of real property. Except for the categories defined in section 13 of this act where disposal takes place at the hands of the owning agency, surplus property is disposed of by disposal agencies.

"Property" means any interest in real or personal property owned by the United States or any Government agency. Not only does it cover tangible property, ranging from plants and facilities on the one hand to accessories, materials, and supplies on the other, but it also includes intangible interests such as patents, processes, techniques, and inventions.

"Surplus property" is defined as property which is surplus to the needs and responsibilities of the owning agency.

The term "contractor inventory" conforms to the definition of "termination inventory" under the Contract Settlement Act of 1944.

"Care and handling" includes a large series of operations and processings of property designed to make it available for effective disposition and utilization.

Next follow two purely formal provisions providing for the act's becoming effective from the date of enactment, and a short title.



Calendar No. 1073

78TH CONGRESS  
2D SESSION

# S. 2065

[Report No. 1057]

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## IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, AUGUST 8), 1944

Mr. STEWART (for himself, Mr. MURRAY, and Mr. TAFT) introduced the following bill; which was read twice and referred to the Committee on Military Affairs

AUGUST 22 (legislative day, AUGUST 15), 1944

Reported by Mr. JOHNSON of Colorado (for himself and Mr. MURRAY), with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 *That the Congress hereby declares that the objective of this*
- 4 *Act is to govern the disposal of surplus war property so as—*
- 5 *(a) To assure the most effective use of such property*
- 6 *for war purposes;*
- 7 *(b) To achieve the prompt and full utilization thereof;*
- 8 *(c) To promote maximum production and employment*



1 of the manpower and the natural and agricultural resources  
2 of all sections of the country;

3       (d) To effect broad and equitable distribution of sur-  
4 plus property;

5       (e) To facilitate the transition of enterprises from war-  
6 time to peacetime production and of individuals from war-  
7 time to peacetime employment;

8       (f) To strengthen and preserve the competitive posi-  
9 tion of small business concerns in an economy of free enter-  
10 prise;

11       (g) To aid honorably discharged servicemen to estab-  
12 lish and maintain their own small business or agricultural  
13 enterprises;

14       (h) To protect free markets and competitive prices from  
15 dislocations resulting from uncontrolled dumping of surplus  
16 property;

17       (i) To discourage monopolistic practices and assure  
18 fair prices to the consumer;

19       (j) To utilize normal channels of trade and commerce  
20 (without discriminating against the establishment of new  
21 enterprises) and assure the sale of such surpluses in such  
22 quantities and on such terms as will discourage disposals to  
23 speculators or for speculative purposes;

24       (k) To establish and develop foreign markets and pro-  
25 mote mutually advantageous economic relations between the

1 United States and other countries through the programmed  
2 export of such surpluses; and

3 (1) To obtain the highest return for the Government  
4 consistent with the foregoing objectives.

5 SURPLUS PROPERTY ADMINISTRATOR

6 SEC. 2. (a) There is hereby established in the office  
7 of War Mobilization, and in the office of its successor, should  
8 it be abolished, the Surplus War Property Administration  
9 (hereinafter called the "Administration"), at the head of  
10 which shall be a Surplus War Property Administrator (here-  
11 inafter called the "Administrator"). The Administrator  
12 shall be appointed by the President, by and with the advice  
13 and consent of the Senate, and shall receive compensation  
14 at the rate of \$12,000 per annum. The term of office of the  
15 Administrator shall be two years.

16 SURPLUS PROPERTY BOARD

17 (b) The Administrator shall regularly advise and con-  
18 sult with a Surplus War Property Board. Such Board shall  
19 be composed of one representative each of the State Depart-  
20 ment, Treasury Department, War Department, Navy De-  
21 partment, Justice Department, Reconstruction Finance Cor-  
22 poration, Smaller War Plants Corporation, United States  
23 Maritime Commission, War Production Board, War Food  
24 Administration, Federal Works Agency, Civil Aeronautics  
25 Board, and the Foreign Economic Administration, as desig-



1 nated by the respective department, board, or agency heads;  
 2 and two representatives each of industry, labor, and agricul-  
 3 ture, who shall be appointed by the Administrator and com-  
 4 pensated in accordance with the provisions of section 8.

5       ~~(e)~~ The Administrator may, without regard to the civil-  
 6 service laws, rules, and regulations and the Classification  
 7 Act of 1923, as amended, employ and fix the compensation  
 8 of such Deputy Administrators and other officers and em-  
 9 ployees, and may make such expenditures for supplies, facil-  
 10 ities, and services, as may be necessary to carry out the  
 11 provisions of this Act.

12                   ADMINISTRATOR'S DUTIES AND AUTHORITY

13       SEC. 3. Subject to the general supervision of the Direc-  
 14 tor of War Mobilization, and the provisions of this Act, and  
 15 notwithstanding the provisions of any existing law, it shall  
 16 be the function and duty of the Administrator—

17       ~~(a)~~ To supervise and direct the handling and disposi-  
 18 tion of surplus war property by the Government in accordance  
 19 with objectives and policies of this Act;

20       ~~(b)~~ To supervise and direct the transfer of any surplus  
 21 war property in the possession of any Government agency  
 22 to any other Government agency;

23       ~~(c)~~ To assign surplus property for disposal by the fewest  
 24 number of Federal agencies practicable and to centralize in  
 25 one disposal agency responsibility for the disposal of all

1 property of the same type or class: *Provided*, That the dis-  
2 posal of all types of surplus property abroad may be cen-  
3 tralized in one disposal agency;

4     ~~(d)~~ To prescribe regulations and issue directives neces-  
5 sary to provide, so far as practicable, for uniform and wide  
6 public notice concerning surplus property available for sale;  
7 and for uniform and adequate time intervals between notice  
8 and sale so that all interested purchasers shall have a fair  
9 opportunity to buy;

10     ~~(e)~~ To prescribe regulations and issue directives neces-  
11 sary to carry out the provisions of this Act; and no Govern-  
12 ment agency shall transfer or dispose of surplus property in  
13 contravention of such regulations or directives; and

14     ~~(f)~~ To formulate and issue as rapidly as possible detailed  
15 plans—

16         ~~(1)~~ for the care and handling and disposition of  
17 surplus property in accordance with this Act;

18         ~~(2)~~ for converting to civilian production by private  
19 industry as rapidly as war needs and conditions permit,  
20 any Government-owned plants which are not needed for  
21 national defense and are capable of use for civilian pro-  
22 duction;

23         ~~(3)~~ for facilitating the most economical use and dis-  
24 position of Government-owned plants which are not



1       needed for national defense but are not capable of use  
2       for civilian production;

3       (4) for disposition of surplus Government-owned  
4       transportation facilities and equipment in such manner  
5       as to promote an adequate and economical national trans-  
6       portation system, preserving the inherent advantages of  
7       each mode of transportation and providing service at  
8       reasonable and nondiscriminatory rates and charges; and

9       (5) for removal of any existing discriminations  
10      affecting the disposal and use of Government-owned  
11      plants and property, in accordance with this Act.

12      SEC. 4. (a) The Administrator may delegate any au-  
13      thority and discretion conferred upon him by this Act to  
14      any deputy Administrator, and may delegate such author-  
15      ity and discretion, upon such terms and conditions as he  
16      may prescribe, to the head of any Government agency to  
17      the extent necessary to the handling and solution of problems  
18      peculiar to that agency.

19      (b) The head of any Government agency may delegate,  
20      and authorize successive redelegations of, any authority and  
21      discretion conferred upon him or his agency by or pursuant  
22      to this Act to any officer, agent, or employee of such agency  
23      or, with the approval of the Administrator, to any other  
24      Government agency.

25      (c) Any two or more Government agencies may exer-

1 eise jointly any authority and discretion conferred upon each  
2 of them individually by or pursuant to this Act.

3 (d) In carrying out the purposes of this Act, the admin-  
4 istration may utilize the services of any other Government  
5 agency.

6 (e) Notwithstanding the provisions of any other Act,  
7 the Administrator is authorized to dispose of surplus property  
8 in accordance with the provisions of this Act.

9 SEC. 5. The Administrator is authorized to prescribe  
10 such restrictions on the return to the United States of sur-  
11 plus war property which has been disposed of abroad or sold  
12 in this country for export as he determines to be necessary  
13 to prevent the return of such property from interfering with  
14 the objectives and policies of this Act. The imposition of  
15 these restrictions shall be enforced through the Treasury  
16 Department.

#### 17 SURVEILLANCE BY CONGRESS

18 SEC. 6. (a) To assist the Congress in appraising the  
19 administration of this Act and in developing such amend-  
20 ments or related legislation as may be necessary to accom-  
21 plish the objectives of the Act, the appropriate committees  
22 of the Senate and the House of Representatives shall study  
23 the reports and information submitted to the Congress under  
24 this Act and shall otherwise maintain continuous surveillance  
25 of the operations of the Government agencies under the Act.



1       (b) Within three months after the enactment of this  
 2 Act, and thereafter in January, April, July, and October  
 3 of each year, the Administrator shall submit to the Senate  
 4 and House of Representatives a quarterly progress report  
 5 on the exercise of his authority and discretion under this  
 6 Act, the status of surplus property disposition, and such other  
 7 pertinent information on the administration of the Act as  
 8 will enable the Congress to evaluate its administration and  
 9 the need for amendments and related legislation.

10       (c) The Administrator shall submit to the Senate and  
 11 House of Representatives copies of the regulations prescribed  
 12 by him from time to time under this Act within thirty days  
 13 after the effective date of such regulations.

14                                   BUREAU OF THE BUDGET

15       SEC. 7. It shall be the duty of the Bureau of the  
 16 Budget subject to provisions of subsections (b) and (c) of  
 17 section 3.

18       (a) To coordinate the inventory records of surplus war  
 19 property in the possession or control of Government agencies;

20       (b) To prescribe suitable standards and procedures  
 21 which, so far as practicable, shall be uniform, for the inven-  
 22 tory and classification of surplus property and for the transfer  
 23 thereof among Government agencies; and to devise and pre-  
 24 scribe the forms and records for sale or other transfer to  
 25 insure property and uniform accountability control; and

1       ~~(c)~~ To receive and review and approve or deny appli-  
2 cations of Government agencies ~~(other than the War Depart-~~  
3 ~~ment, Navy Department, and Maritime Commission)~~ for  
4 surplus property for the purpose of acquiring such property  
5 in their behalf from surplus stocks as hereinafter provided in  
6 section 11.

7                               ADVISORY COMMITTEES

8       SEC. 8. Each Government agency charged with respon-  
9 sibility for disposal of surplus war property shall organize  
10 advisory committees with which it shall consult regarding  
11 policies and procedures to govern disposal of the various  
12 classes of surplus property under this Act. Such committees  
13 shall be fairly representative of—

14       ~~(a)~~ The larger business units of the interested trade or  
15 industry, including its wholesale and retail distributors, if  
16 any;

17       ~~(b)~~ The small business units, therein, including dis-  
18 tributors;

19       ~~(c)~~ The labor groups interested therein; and

20       ~~(d)~~ Interested farm, consumer, and other groups, if any.

21       When engaged in the business of the Administration,  
22 all members of such advisory committees shall be entitled  
23 to compensation at the rate of \$15 per diem, and actual



1 traveling expenses and subsistence expenses (not in excess  
2 of \$10 per diem) while away from their homes.

3 DECLARATION OF SURPLUS PROPERTY

4 SEC. 9. Every Government agency shall have the duty  
5 and responsibility continuously to survey the property in its  
6 possession or control and to determine which of such prop-  
7 erty is surplus to its needs and responsibilities. For the  
8 duration of hostilities in the present war, such determina-  
9 tion shall be the exclusive province of the owning agencies.  
10 Following cessation of hostilities, the Administrator shall  
11 have authority to require full information concerning any  
12 property in the control of any owning agency and may upon  
13 his own determination declare it or any part of it surplus  
14 to the needs and responsibilities of such agency. If in the  
15 opinion of the owning agency the retention of any property  
16 so declared by the Administrator to be surplus is essential  
17 to the national security such agency may appeal from such  
18 declaration to the President for a final determination. Each  
19 Government agency shall submit to the Administrator such  
20 information and reports with respect to surplus war prop-  
21 erty in such form and at such times as the Administrator  
22 shall direct. When requested by the Administrator, a Gov-  
23 ernment agency shall execute such documents for the trans-  
24 fer of title or for any other purposes or take such steps as  
25 the Administrator shall determine to be necessary or proper

1 to transfer or dispose of surplus war property or otherwise  
2 to carry out the provisions of the Act.

3 AGENCY INVENTORIES

4 SEC. 10. Every agency engaged in the disposition of sur-  
5 plus property shall maintain in each of its disposal offices  
6 full records of the inventories of surplus property of such  
7 office and of each of the disposal transactions negotiated by  
8 such office and shall make such records available for inspec-  
9 tion by the public.

10 TRANSFERS BETWEEN AGENCIES

11 SEC. 11. (a) The Administrator shall to the maximum  
12 extent practicable, by regulation, directive, or otherwise, give  
13 priority in the disposition of surplus property to the following  
14 Government agencies which shall have the right to acquire  
15 surplus property in the order and manner, and for the pur-  
16 poses following:

17 (1) The War Department, Navy Department, and  
18 Maritime Commission may acquire surplus property  
19 necessary for the prosecution of the war or for purposes  
20 of national defense and security, or may direct the dis-  
21 position thereof to any person engaged in war production.

22 (2) The Bureau of the Budget may direct the trans-  
23 fer of surplus property to any Government agency (other  
24 than the War Department, Navy Department, and Mari-  
25 time Commission) which demonstrates a need therefor.



1       Such transfer shall be made upon such terms and with  
2       such charge to the appropriation of the transferee for  
3       the value thereof as the Bureau of the Budget shall pre-  
4       scribe in accordance with existing law.

5       (b) The Administrator shall resolve any conflict be-  
6       tween Government agencies over priorities in the acquisition  
7       of surplus property in such manner as will, in his judgment,  
8       best effectuate the objectives of this Act.

9                               DISPOSAL TO LOCAL GOVERNMENTS

10       SEC. 12. The Administrator may prescribe regulations  
11       to provide for the disposition of surplus property to States,  
12       and political subdivisions thereof, and to tax-supported and  
13       non-profit institutions, as follows:

14       (a) Surplus property which has been acquired by the  
15       Federal Government for school, classroom, or other educa-  
16       tional use may be transferred to the Office of Education in  
17       the Federal Security Administration for donation to tax-sup-  
18       ported educational institutions, and, within the discretion of  
19       the Commissioner of Education, to other non-profit educa-  
20       tional institutions.

21       (b) Surplus medical supplies and equipment may be  
22       transferred to the United States Public Health Service in the  
23       Federal Security Administration for donation to tax-supported  
24       medical institutions, and, within the discretion of the Surgeon

1 General of the Public Health Service, to hospitals or other  
2 similar institutions not operated for profit.

3 ~~(c)~~ Surplus property for which the estimated cost of  
4 handling, storage, and sale would exceed the estimated pro-  
5 ceeds of commercial sale, may be donated to States, political  
6 subdivisions thereof, or tax-supported institutions.

7 ~~(d)~~ Any surplus property may be sold or leased to  
8 States, political subdivisions thereof, or tax-supported insti-  
9 tutions at discounts not to exceed 50 per centum of the sale  
10 or lease market value thereof, as the case may be.

11 ~~(e)~~ The benefits of subsections ~~(c)~~ and ~~(d)~~ of this  
12 section may in the discretion of the Administrator be extended  
13 to charitable and eleemosynary institutions and other non-  
14 profit organizations.

#### 15 DISPOSITION BY OWNING AGENCY

16 SEC. 13. ~~(a)~~ Any owning agency may dispose of any  
17 property for the purpose of war production or authorize  
18 any contractor with such agency or subcontractor thereunder  
19 to retain or dispose of any contractor inventories for the  
20 purpose of war production, subject only to the regulations  
21 of the Administrator with respect to price policies.

22 ~~(b)~~ Subject to subsection ~~(c)~~ of this section and to  
23 the provisions of section 19, any owning agency may  
24 dispose of—



1           (1) any property which is damaged or worn beyond  
2           economical repair;

3           (2) any waste, salvage, scrap, or other similar  
4           items;

5           (3) any physical products of industrial, research,  
6           agricultural, or livestock operations, or of any public  
7           works construction or maintenance project, carried on by  
8           such agency;

9           (4) any contractor inventory in its control; and

10          (5) any other class or type of surplus property  
11          designated by the Administrator.

12          (c) The Administrator shall have the responsibility for  
13          reviewing the disposal actions and the decisions with respect  
14          to the classification of property of the owning agencies under  
15          this section to assure the fulfillment of the objectives and  
16          policies of this Act and whenever he finds it necessary he  
17          shall restrict by regulation or rescind the authority of any  
18          owning agency to dispose of any class of surplus property  
19          under subsection (b) of this section.

20                               POLICIES GOVERNING DISPOSITION

21          SEC. 14. In formulating regulations to govern the care  
22          and handling and disposition of surplus property under this  
23          Act, the Administrator shall be guided by the objectives stated  
24          in section 1 of this Act, and shall give effect to the following  
25          policies to the extent feasible, and in the public interest.

1       (a) To facilitate transfers of surplus property of one  
2 Government agency to other Government agencies for their  
3 use.

4       (b) To afford public, governmental, educational, chari-  
5 table, and eleemosynary institutions and cooperative organi-  
6 zations an opportunity to fulfill their legitimate needs.

7       (c) To afford former owners of surplus real property  
8 acquired by the Government an opportunity to reacquire  
9 such property.

10       (d) To effectuate the objective of this Act to aid honor-  
11 ably discharged veterans to establish and maintain their own  
12 small business or agricultural enterprises by assigning such  
13 veterans suitable preferences to the extent feasible and con-  
14 sistent with the policies of this Act in the acquisition of the  
15 types of surplus property useful in such enterprises. The  
16 Administrator in cooperation with the Administrator of  
17 Veterans' affairs shall prepare and submit to Congress  
18 within six months after enactment of this Act, a report  
19 setting forth the feasible means planned to effectuate the  
20 objectives of this subsection.

21                               SMALL BUSINESS

22       SEC. 15. (a) It shall be the duty of the Administrator  
23 and he is hereby authorized and directed to devise ways and  
24 means and prescribe appropriate regulations and directives  
25 to prevent any discrimination against small business in the



1 disposal and distribution and use of any Government prop-  
2 erty covered by this Act. To that end the Administrator  
3 shall cause the owning and disposal agencies to adopt and  
4 pursue the following measures:

5       (1) Arrange for the widest practicable notice by  
6 the advertisement or otherwise to be issued and dis-  
7 seminated by the agencies so that large and small enter-  
8 prises will be reasonably informed of the property  
9 offered for sale and the terms and conditions thereof.

10       (2) Reduce lots or blocks of any items offered for  
11 sale to the smallest practicable units conforming with  
12 marketing policy in the agency concerned so that they  
13 will be within the reach of small business enterprises.

14       (3) In appropriate cases in the discretion of the  
15 agency or the Administrator, arrange for sales on credit  
16 or time bases, or such other terms or conditions as will  
17 preserve the competitive position of small business enter-  
18 prises in the purchase or acquisition of surplus property  
19 and accord them a fair opportunity for the acquisition  
20 thereof.

21       (b) Subject to the authority of the Administrator, the  
22 Smaller War Plants Corporation is hereby specifically  
23 charged with the responsibility of cooperating with the own-  
24 ing and disposal agencies, of making surveys from time to  
25 time, and bringing to the attention of the agencies, or the

1 Administrator, the needs and requirements of small business  
2 and any cases or situations which have resulted in or would  
3 effect discrimination against small business in the purchase or  
4 acquisition of Government property by them and in the dis-  
5 posal thereof by the agencies.

6 ~~(e)~~ The Administrator shall recommend to the Con-  
7 gress any measures which he deems advisable for the re-  
8 moval of discriminations against small business in the acqui-  
9 sition and use of Government-owned plants and properties,  
10 in accordance with the objectives of this Act.

11 ~~(d)~~ The Smaller War Plants Corporation shall have the  
12 power to purchase any surplus property for re-sale or other  
13 disposition to small business, when, in its judgment, such  
14 disposition is required to preserve and strengthen the com-  
15 petitive position of small business, or will assist the Corpora-  
16 tion in the discharge of the duties and responsibilities imposed  
17 upon it under Public Law 603 (77th Congress).

18 DISPOSITION OF PLANTS

19 SEC. 16. Whenever the Administrator or any disposal  
20 agency shall begin negotiations for the sale or transfer to  
21 private interests of a plant or plants or other property repre-  
22 senting an original cost to the Government of \$1,000,000  
23 or more, the Administrator or disposal agency shall promptly  
24 notify the Attorney General of the proposed sale or transfer



1 and the probable terms or conditions thereof. Within a  
2 reasonable time after receiving such notification the Attor-  
3 ney General shall advise the Administrator or disposal agency  
4 whether the proposed sale or transfer will either violate  
5 the antitrust laws, or encourage monopoly or undue con-  
6 centration of industry or commerce or restrain competition  
7 substantially. Upon the request of the Attorney General,  
8 the Administrator or other Government agency shall furnish  
9 or cause to be furnished such information as the Adminis-  
10 trator or any such agency may possess which the Attorney  
11 General determines to be appropriate or necessary to enable  
12 him to give the advice called for by this section or to deter-  
13 mine whether any other sale or transfer of surplus property  
14 violates the antitrust laws. Nothing in this Act shall im-  
15 pair, amend, or modify the antitrust laws or limit and prevent  
16 their application to persons who buy or otherwise acquire  
17 property under the provisions of the Act. As used in this  
18 section, the term "antitrust laws" includes the Act of July  
19 2, 1890 (ch. 26, Stat. 209), as amended; the Act of  
20 October 15, 1914 (ch. 323, 38 Stat. 730), as amended;  
21 the Federal Trade Commission Act; and the Act of August  
22 27, 1894 (ch. 349, sec. 73, 74, 28 Stat. 570), as amended.

23       SEC. 17. Every contract for the sale, or lease for two  
24 years or more, of a plant shall be made upon the condition  
25 that the purchaser, lessee, or transferee, and their transferees,

1 if any, shall maintain the plant in substantial operation and  
2 production for a period of two years next succeeding the  
3 effective date of the contract, or, next succeeding the date  
4 upon which operations begin after a period of conversion and  
5 alteration to be approved by the Administrator, but not to  
6 exceed one year, and that upon breach of such condition, the  
7 Government may rescind the contract and upon return of so  
8 much of the consideration as shall be equitable, recover the  
9 plant.

10 SEC. 18. Every existing option to purchase or otherwise  
11 acquire Government-owned property shall before it is con-  
12 summated be submitted to the Attorney General for his opin-  
13 ion as to its validity. Where an option is invalid or not validly  
14 exercised, the property concerned shall be disposed of in  
15 accordance with the applicable provisions of this Act.

16 SEC. 19. All Government-owned accumulations of stra-  
17 tegic minerals and metals shall be transferred, when deter-  
18 mined to be surplus pursuant to this Act, to the account of  
19 the Treasury Procurement Division to be held as a strategic  
20 minerals and metals reserve for the exclusive use of the  
21 Army and the Navy for the national defense during the  
22 present war and in the event of a future war emergency.  
23 The minerals and metals may be transferred in any form  
24 in which they are held, and they shall thereafter be put  
25 into forms best suited for storage and use for the national



1 defense. As used in this section the phrase "strategic min-  
 2 erals and metals" means all minerals and metals included in  
 3 either group A or group B of the list of strategic  
 4 and critical materials determined upon by the Army and  
 5 Navy Munitions Board on March 6, 1944, and shall include  
 6 ores, concentrates, alloys, scrap, and partially and com-  
 7 pletely fabricated articles of which the principal compo-  
 8 nents by value consist of such minerals and metals, but  
 9 shall not include such fabricated articles as the Army and  
 10 Navy determine are not suitable for their use in the form  
 11 in which fabricated and which may be disposed of com-  
 12 mercially at values substantially in excess of the metal market  
 13 price of the component minerals and metals of such fabricated  
 14 articles.

#### 15 PLANNING

16 SEC. 20. (a) The Administrator, in cooperation with  
 17 the appropriate Government agencies, shall prepare and sub-  
 18 mit to the Congress within six months after enactment of  
 19 this Act, a report as to each of the following classes of Gov-  
 20 ernment-owned property: (1) iron and steel plants and  
 21 facilities; (2) aluminum plants and facilities; (3) mag-  
 22 nesium plants and facilities; (4) synthetic rubber plants and  
 23 facilities; (5) aircraft plants and facilities; (6) chemical  
 24 plants and facilities; (7) aviation gasoline plants and facil-  
 25 ities; (8) shipyards; (9) transportation facilities; (10)

1 radio and electrical equipment; ~~(11)~~ lands formerly used  
2 for farming; and ~~(12)~~ processes, techniques, and inven-  
3 tions; and ~~(13)~~ any other class of property determined by  
4 the Administrator:

5       ~~(A)~~ Describing the amount, cost, and location of  
6 the property and setting forth other descriptive infor-  
7 mation relative to the use of the property that will no  
8 longer be needed by the United States:

9       ~~(B)~~ Outlining the economic problems that may be  
10 created by disposition of the property:

11       ~~(C)~~ Setting forth a plan or program for the care  
12 and handling, disposition, and use of the property con-  
13 sistent with policies and objectives set forth in this Act:

14       ~~(D)~~ Describing any steps already taken for care  
15 and handling, disposition, and use of the property (in-  
16 cluding any contracts relating thereto); and designating  
17 any property that is to be retained by the United States  
18 for war or national defense purposes:

19 The Administrator shall request Government agencies to  
20 submit information and suggestions for use in the preparation  
21 of the reports and shall encourage States or political division  
22 thereof and representatives of the affected industry and other  
23 private persons to submit information for use in the prepara-  
24 tion of the reports; and he shall submit to the Congress, to-  
25 gether with his report, copies of any information and sugges-



1 tions received, or a summary thereof. Unless otherwise pro-  
2 vided by law, the Administrator shall authorize such care  
3 and handling, disposition, and use of the property in accord-  
4 ance with the plan or program contained in the report to  
5 the Congress. In the event that it is not possible to prepare  
6 and submit a final report to the Congress as to any class of  
7 property, the Administrator shall submit an interim report  
8 six months after the enactment of this Act, and shall submit  
9 a final report as soon thereafter as possible.

10 (b) If the Administrator determines that it is desirable  
11 to alter or change any such plan or program or to prepare  
12 a report on any other class of property, he shall prepare in  
13 accordance with the provisions of subsection (a) of this  
14 section and submit to the Congress an additional report,  
15 setting forth the altered or changed plan or program or a  
16 plan or program relating to the new class of property, and,  
17 unless otherwise provided by law, the Administrator shall  
18 authorize such management, disposition, and use of the prop-  
19 erty in accordance with the plan or program contained in the  
20 additional report to the Congress.

21 Wherever the Administrator may deem it to be in the  
22 interest of the objectives of this Act he may dispose of any  
23 property referred to above in advance of the preparation of  
24 any plan or before he may have submitted same to Congress.

## MISCELLANEOUS PROVISIONS

1

2       SEC. 21. Surplus property disposals may be made with-  
3 out regard to any provision in existing law for advertisement  
4 and competitive bidding, unless the Administrator shall deter-  
5 mine that disposal by advertisement and competitive bid  
6 will in a given case better effectuate the policy of the Act.

7       SEC. 22. (a) All proceeds from any transfer or dis-  
8 position of property under this Act shall be deposited and  
9 covered into the Treasury as miscellaneous receipts, except  
10 as provided in subsections (b), (c), (d), and (e) of this  
11 section.

12       (b) From the proceeds of such transfers or dispositions,  
13 the agency may deduct all expenses incurred for the care  
14 and handling, completion, and transfers or dispositions of  
15 such property under this Act, and may reimburse the fund  
16 or appropriation bearing such expenses, or the correspond-  
17 ing fund or appropriation currently available at the time of  
18 reimbursement.

19       (c) Where the property transferred or disposed of was  
20 acquired by the use of funds either not appropriated from the  
21 general fund of the Treasury or appropriated from the general  
22 fund of the Treasury but by law reimbursable from assess-  
23 ment, tax, or other revenue or receipts, then upon the request  
24 of the interested agency, the proceeds of the disposition or



1 transfer remaining after any deductions under subsection  
2 ~~(b)~~ of this section shall be credited to the reimbursable fund  
3 or appropriation or paid to the owning agency.

4 ~~(d)~~ To the extent authorized by the Administrator, any  
5 Government agency disposing of property under this Act ~~(1)~~  
6 may deposit, in a special account with the Treasurer of the  
7 United States, such amount of the proceeds of such disposi-  
8 tions as it deems necessary to permit appropriate refunds to  
9 purchasers when any disposition is rescinded or does not be-  
10 come final, or payments for breach of any warranty, and ~~(2)~~  
11 may withdraw therefrom amounts so to be refunded or paid,  
12 without regard to the origin of the funds withdrawn.

13 ~~(e)~~ Where a contract or subcontract authorizes the  
14 proceeds of any sale of property in the custody of the con-  
15 tractor or subcontractor to be credited to the price or cost  
16 of the work covered by such contract or subcontract, the  
17 proceeds of any such sale shall be credited in accordance  
18 with the contract or subcontract and shall not be subject to  
19 subsection ~~(a)~~ of this section.

20 SEC. 23. ~~(a)~~ Any Government agency is authorized to  
21 use for the disposition of property under this Act and for  
22 its completion, care, and handling, pending such disposition,  
23 any funds heretofore or hereafter appropriated, allocated,  
24 or available to it for such purposes or for the purpose of  
25 production or procurement of such property.

1       ~~(b)~~ Any Government agency is authorized to use for  
2 the acquisition of any surplus property under this Act any  
3 funds heretofore or hereafter appropriated, allocated, or avail-  
4 able to it for the acquisition of property of the same kind.

5       ~~(c)~~ There are authorized to be appropriated such sums  
6 as may be necessary or appropriate for administering the  
7 provisions of this Act.

8       SEC. 24. All policies and procedures relating to surplus  
9 property prescribed by the Surplus War Property Admin-  
10 istration, created by Executive Order Numbered 9425, dated  
11 February 19, 1944, or any other Government agency, in  
12 effect upon the effective date, of this Act, and not inconsistent  
13 with this Act, shall remain in full force and effect unless and  
14 until superseded by regulations of the Administrator in  
15 accordance with this Act.

16       SEC. 25. ~~(a)~~ Nothing in this Act shall limit or affect  
17 the authority of commanders in active theaters of military  
18 operations to dispose of property in their control.

19       ~~(b)~~ The provisions of this Act shall be applicable to  
20 dispositions of property within the United States and else-  
21 where, but the Administrator may exempt from some or  
22 all of the provisions hereof, dispositions of property located  
23 outside of the continental United States or in Alaska,  
24 whenever he deems that such provisions would obstruct the



1 efficient and economic disposition of such property in  
2 accordance with the objectives of this Act.

3       SEC. 26. A deed, bill of sale, lease or other instrument  
4 purporting to transfer title or any other interest in surplus  
5 property under this Act, which is executed by or on behalf  
6 of the Administrator, or by the Government agency to which  
7 the Administrator shall have assigned such surplus property  
8 for disposal, shall be conclusive evidence of compliance with  
9 the provisions of this Act so far as the title or other interest of  
10 any bona fide purchaser or lessee, as the case may be, is  
11 concerned.

12       SEC. 27. (a) The authority conferred by this Act is  
13 in addition to any authority conferred by any other law and  
14 shall not be subject to the provisions of any law inconsistent  
15 herewith. This Act shall not impair or affect any authority  
16 for the disposition of property under any other law, except  
17 that the Administrator may prescribe regulations to govern  
18 any disposition of surplus property under any such author-  
19 ity to the same extent as if the disposition were made under  
20 this Act, whenever he deems such action necessary to effec-  
21 tuate the objectives and policies of this Act.

22       (b) Nothing in this Act shall impair or affect the pro-  
23 visions of the Emergency Price Control Act of 1942, as  
24 amended; or the Act of October 2, 1942 (ch. 578, 56  
25 Stat. 765), as amended; or of section 301 of the Second War

1 Powers Act, 1942; or of the Act of March 11, 1941 (55  
2 Stat. 31), as amended; or Acts supplemental thereto, or of  
3 any law regulating the export of property from the United  
4 States.

5 SEC. 28. This Act may be cited as the "Surplus War  
6 Property Act".

7 DEFINITIONS

8 SEC. 29. As used in this Act—

9 (a) The term "Government agency" means any execu-  
10 tive department, board, bureau, independent commission,  
11 or other agency in the executive branch of the Federal  
12 Government, and any corporation wholly owned and con-  
13 trolled by the United States.

14 (b) The term "owning agency" means a Government  
15 agency having control of property at or before the time  
16 when it is determined to be surplus to the needs and responsi-  
17 bilities of that agency.

18 (c) The term "disposal agency" means any Govern-  
19 ment agency designated under this Act to handle disposition  
20 of one or more classes of surplus property.

21 (d) The term "property" means any interest in prop-  
22 erty, real or personal, owned by the United States or any  
23 Government agency, including, but not limited to, plants,  
24 facilities, equipment, machinery, accessories, parts, assem-



1 blies, products, commodities, materials, and supplies of all  
2 kinds, whether new or used, and wherever located.

3       (e) The term "surplus war property" or "surplus prop-  
4 erty" means any property which has been determined to  
5 be surplus to the needs and responsibilities of the owning  
6 agency in accordance with section 9 of this Act.

7       (f) The term "contractor inventory" means (1) any  
8 property related to a terminated contract of any type with  
9 a Government agency or to a subcontract thereunder (except  
10 any machinery or equipment subject to a separate contract  
11 or contract article specifically governing its use or dis-  
12 position); and (2) any property acquired under a cost-  
13 plus-a-fixed-fee contract and in excess of the amounts needed  
14 to complete performance thereunder; and (3) any property  
15 which the Government is obligated to take over under any  
16 type of contract as a result of any change in the specifications  
17 or plans thereunder.

18       (g) The term "care and handling" includes repairing,  
19 converting, rehabilitating, operating, maintaining, preserv-  
20 ing, protecting, insuring, storing, packing, handling, and  
21 transporting.

22       (h) The term "option" means any contractual right to  
23 retain or acquire any property at a price and upon terms  
24 prescribed or determined by the contract.

25       (i) The term "person" means any individual, corpora-

1 tion, partnership, firm, association, trust, estate, or other  
2 entity.

3 (j) The term "State" includes the several States, Terri-  
4 tories, and possessions of the United States, and the District  
5 of Columbia.

6 (k) The term "tax-supported institution" means any  
7 scientific, literary, educational, public-health, or public-wel-  
8 fare institution which is supported in whole or in part through  
9 the use of funds derived from taxation by the United States,  
10 or by any State or political subdivision thereof.

11 (l) "Disposal" or "disposition" means sale, conditional  
12 sale, or lease, for cash, credit, or other property; donation;  
13 or any other transfer.

#### 14 OBJECTIVES

15 *SECTION 1. The Congress hereby declares that the objec-*  
16 *tives of this Act are to facilitate and regulate the orderly*  
17 *disposal of surplus property so as—*

18 (a) *In the disposition of all classes of surplus property—*

19 (1) *to assure the most effective use of such property*  
20 *for war purposes;*

21 (2) *to give maximum aid in the reestablishment of*  
22 *a peacetime economy of free independent private enter-*  
23 *prise, the development of the maximum of independent*  
24 *operators in trade, industry, and agriculture, and to*  
25 *stimulate full employment;*



1           (3) to strengthen and preserve the competitive  
2           position of small business concerns in an economy of  
3           free enterprise;

4           (4) to foster and to render more secure family-type  
5           farming as the traditional and desirable pattern of Ameri-  
6           can agriculture;

7           (5) to strengthen and preserve the existing cooper-  
8           ative organizations, and to encourage the extension of  
9           the cooperative movement;

10          (6) to aid honorably discharged servicemen to  
11          establish and maintain their own small business or  
12          agricultural enterprises;

13          (7) to assure the sale of such surpluses in such  
14          quantities and on such terms as will discourage disposal  
15          to speculators or for speculative purposes;

16          (8) to provide for the utilization of surplus prop-  
17          erty to the fullest extent practicable in furtherance,  
18          under appropriate controls, of programs meeting certain  
19          important public needs referred to in section 12 hereof;

20          (9) to establish and develop foreign markets and  
21          promote mutually advantageous economic relations be-  
22          tween the United States and other countries by the  
23          orderly disposition of such surpluses in other countries;

24          (b) In the disposition of consumers goods—

25          (1) to achieve the prompt and full utilization

1        *thereof at fair prices to the consumer through disposal*  
2        *at home and abroad with due regard for the protection*  
3        *of free markets and competitive prices from dislocation*  
4        *resulting from uncontrolled dumping;*

5            *(2) to utilize normal channels of trade and com-*  
6        *merce to the extent consistent with efficient and eco-*  
7        *nomie distribution and the promotion of the general*  
8        *objectives of this Act (without discriminating against*  
9        *the establishment of new enterprises);*

10        *(c) In the disposition of plant, equipment and materials*  
11        *for use in further production—*

12            *(1) to promote maximum production and employ-*  
13        *ment of the manpower, the natural and agricultural*  
14        *resources of all sections of the country with due regard*  
15        *to the needs of industrially underdeveloped areas;*

16            *(2) to facilitate the transition of enterprises from*  
17        *wartime to peacetime production and of individuals from*  
18        *wartime to peacetime employment with due regard to*  
19        *the necessity of discouraging monopolistic practices;*

20            *(3) to foster the development of new independent*  
21        *enterprise;*

22        *(d) For all classes of surplus property, to obtain the*  
23        *highest return for the Government consistent with the fore-*  
24        *going objectives.*



## SURPLUS PROPERTY BOARD

1  
2       SEC. 2. (a) There is hereby established in the Office  
3 of War Mobilization, and in the office of its successor, a  
4 Surplus Property Board, which shall be composed of eight  
5 members, each of whom shall be appointed by the President,  
6 by and with the advice and consent of the Senate, shall receive  
7 compensation at the rate of \$10,000 per annum, and shall  
8 serve for a term of two years. In the selection of members of  
9 the Board the President shall give due consideration to the  
10 various geographic areas and economic interests of the  
11 Nation. The Board shall elect one of its members as chair-  
12 man. In their deliberations the Board shall take into con-  
13 sideration the interests of all economic groups such as con-  
14 sumers, industry, agriculture, and labor. In case of a tie  
15 vote the Director of War Mobilization or his successor  
16 shall have a deciding vote. During his term of membership  
17 on the Board, no member shall engage in any other business,  
18 vocation, or employment. The Board shall determine all  
19 matters of policy relating to the administration of this Act.

20       (b) In order that the elected representatives of the people  
21 shall be kept informed of the activities and the policies of  
22 the Board, the President of the Senate shall appoint two  
23 Members of the Senate and the Speaker of the House of  
24 Representatives shall appoint two Members of the House  
25 of Representatives who shall be entitled to attend any meet-

1 ings of the Board and who shall from time to time report  
 2 to the Congress or to their respective Houses on the pro-  
 3 ceedings of the Board. It shall be the duty of the Chairman  
 4 of the Board to advise such Members of all general or special  
 5 meetings of the Board.

6 (c) The Board shall, without regard to the civil-service  
 7 laws, appoint an Administrative Director, who shall perform  
 8 such functions as the Board may direct and shall receive com-  
 9 pensation at the rate of \$10,000 per annum. The Board  
 10 shall, within the limits of funds which may be made available,  
 11 employ and fix the compensation of such deputy administrative  
 12 directors and other officers and employees, and may make  
 13 such expenditures for supplies, facilities, and services, as may  
 14 be necessary to carry out its functions. All such deputy  
 15 administrative directors and other officers and employees  
 16 shall be appointed in accordance with the civil-service laws  
 17 and their compensation fixed in accordance with the Classi-  
 18 fication Act of 1923, as amended. The Board shall, where  
 19 practicable, perform the duties imposed upon it through the  
 20 personnel and facilities of other Government agencies.

#### 21 SURPLUS PROPERTY ADVISORY COUNCIL

22 (d) There is hereby created a Surplus Property Ad-  
 23 visory Council with which the Board shall advise and consult.  
 24 The Council shall be composed of the Chairman of the Board,



1 *who shall act as its chairman, and of the Secretary of State,*  
 2 *the Secretary of the Treasury, the Secretary of War, the*  
 3 *Secretary of the Navy, the Attorney General, the Secretary*  
 4 *of Commerce, the Secretary of the Interior, the Secretary of*  
 5 *Labor, the Chairman of the board of directors of Smaller*  
 6 *War Plants Corporation, the Chairman of the United States*  
 7 *Maritime Commission, the Chairman of the War Production*  
 8 *Board, the Director of the Bureau of the Budget, the War*  
 9 *Food Administrator, the Administrator of Veterans' Affairs,*  
 10 *the National Housing Administrator, the Federal Works*  
 11 *Administrator, the Chairman of the Civil Aeronautics Board,*  
 12 *the Federal Security Administrator, the Chairman of the*  
 13 *Federal Trade Commission, and the Administrator of the*  
 14 *Foreign Economic Administration, or any alternate or*  
 15 *representative designated by any of them.*

16 *BOARD'S DUTIES AND AUTHORITY*

17 *SEC. 3. The activities of the Board shall be coordinated*  
 18 *with the programs of the armed forces of the United States*  
 19 *in the interests of the war effort. Until a final peace is*  
 20 *concluded the needs of the armed forces are hereby declared*  
 21 *and shall remain paramount. Subject to the general super-*  
 22 *vision of the Director of War Mobilization or his successor,*  
 23 *and the provisions of this Act, and notwithstanding the*  
 24 *provisions of any existing law, it shall be the function and*  
 25 *duty of the Board—*

1       (a) To supervise and direct the handling and disposi-  
2       tion of surplus property by the Government in accord-  
3       ance with the objectives and policies of this Act;

4       (b) To supervise and direct the transfer of any surplus  
5       property in the possession of any Government agency to any  
6       other Government agency;

7       (c) To assign surplus property for disposal by the fewest  
8       number of Government agencies practicable and, so far as it  
9       deems feasible, to centralize in one disposal agency respon-  
10      sibility for the disposal of all property of the same type or  
11      class: Provided, however, That the United States Maritime  
12      Commission shall be the sole disposal agency for merchant  
13      vessels or vessels capable of conversion to merchant use, and  
14      that such vessels shall be disposed of only in accordance with  
15      the provisions of the Merchant Marine Act, 1936, as amended,  
16      and other laws authorizing the sale of such vessels, until  
17      otherwise provided by law;

18      (d) To prescribe regulations and issue directives neces-  
19      sary to provide, so far as practicable, for uniform and wide  
20      public notice concerning surplus property available for sale,  
21      and for uniform and adequate time intervals between notice  
22      and sale so that all interested purchasers shall have a fair  
23      opportunity to buy;

24      (e) To formulate and issue as rapidly as possible detailed  
25      plans—



1           (1) for the care and handling and disposition of  
2 surplus property in accordance with this Act;

3           (2) for converting to civilian production by private  
4 industry as rapidly as war needs and conditions permit,  
5 any Government-owned plants which are not needed for  
6 the common defense and are capable of use for civilian  
7 production;

8           (3) for facilitating the most economical use and  
9 disposition of Government-owned plants which are not  
10 needed for the common defense but are not capable of  
11 use for civilian production:

12           (4) for disposition of surplus Government-owned  
13 transportation facilities and equipment in such manner  
14 as to promote an adequate and economical national trans-  
15 portation system;

16           (5) for removal of any existing discriminations  
17 affecting the disposal and use of Government-owned  
18 plants and property, in accordance with this Act;

19           (f) To effectuate the objectives of this Act to aid honor-  
20 ably discharged veterans to establish and maintain their own  
21 small business or agricultural enterprises by affording such  
22 veterans suitable preferences to the extent feasible and con-  
23 sistent with the policies of this Act in the acquisition of the  
24 types of surplus property useful in such enterprises. The  
25 Board in cooperation with the Administrator of Veterans'

1 *Affairs shall prepare and submit to Congress within six*  
2 *months after enactment of this Act, a report setting forth*  
3 *the feasible means planned to effectuate the objectives of*  
4 *this subsection;*

5       *(g) To devise ways and means and prescribe appro-*  
6 *prate regulations and directives in cooperation with the War*  
7 *Food Administrator whereby surplus property will be sold*  
8 *in such quantities in rural localities and in such manner as*  
9 *will assure farmers and farmers' cooperative associations*  
10 *equal opportunity with others to purchase surplus property:*  
11 *Provided, however, That in cases where a shortage of trucks,*  
12 *machinery, and equipment impairs farm production, a pro-*  
13 *gram shall be developed by the Board in cooperation with*  
14 *the War Food Administrator whereby a reasonable portion*  
15 *of the surplus supply will be made available for sale in rural*  
16 *areas to farmers and farmers' cooperative associations.*

17       *SEC. 4. (a) Notwithstanding the provisions of any*  
18 *other law but subject to the provisions of this Act, the Board*  
19 *and any disposal agency designated by it under subsection (c)*  
20 *of section 3 of this Act are authorized to dispose of surplus*  
21 *property.*

22       *(b) Notwithstanding the provisions of any other law*  
23 *but subject to the provisions of this Act, the Board may dis-*  
24 *pose of property under this Act by sale, exchange, lease,*  
25 *transfer, or other disposition for cash, credit, other property*



1 or otherwise, with or without warranty, and upon such other  
2 terms and conditions as it deems proper.

3       *SEC. 5. (a) The Board may delegate any administrative*  
4 *authority conferred upon it by this Act to the Administrative*  
5 *Director and to any deputy administrative director, and may*  
6 *delegate such authority, upon such terms and conditions as it*  
7 *may prescribe, to the head of any Government agency to the*  
8 *extent necessary to the handling and solution of problems*  
9 *peculiar to that agency.*

10       *(b) The head of any Government agency may delegate,*  
11 *and authorize successive redelegations of, any authority con-*  
12 *ferred upon him or his agency by or pursuant to this Act to*  
13 *any officer, agent, or employee of such agency or, with the*  
14 *approval of the Board, to any other Government agency.*

15       *(c) Any two or more Government agencies may exer-*  
16 *cise jointly any authority conferred upon each of them in-*  
17 *dividually by or pursuant to this Act.*

18       *(d) The Board shall prescribe regulations to effectuate*  
19 *the provisions of this Act. Each Government agency shall*  
20 *carry out regulations of the Board expeditiously and shall*  
21 *issue such further regulations, not inconsistent with the regu-*  
22 *lations of the Board, as it deems necessary or desirable to carry*  
23 *out the provisions of this Act. The regulations prescribed*  
24 *under this Act shall be published in the Federal Register.*

25       *SEC. 6. Surplus property sold for export or disposed of*

1 *abroad pursuant to the provisions of this Act shall not be*  
2 *entitled to entry at any of the ports of the United States,*  
3 *and the importation thereof is hereby prohibited, and the*  
4 *Secretary of the Treasury is authorized and directed to pre-*  
5 *scribe such regulations as may be necessary for the enforce-*  
6 *ment of this section.*

#### 7 *REPORTS AND PLANNING*

8 *SEC. 7. (a) Within three months after the enactment*  
9 *of this Act, and thereafter in January, April, July, and Octo-*  
10 *ber of each year, the Board shall submit to the Senate and*  
11 *House of Representatives a quarterly progress report on the*  
12 *exercise of its authority and discretion under this Act. Such*  
13 *reports shall contain—*

14 *(i) A statement of the status of surplus property*  
15 *disposition.*

16 *(ii) A statement of the kind, amount, and value of*  
17 *all considerations received by any disposal agency in*  
18 *exchange for property disposed of under this Act.*

19 *(iii) Such recommendations for legislation as the*  
20 *Board may deem necessary or desirable.*

21 *(b) The Board, in cooperation with the various disposal*  
22 *agencies, shall prepare and submit to the Congress within*  
23 *six months after enactment of this Act, a report as to each*  
24 *of the following classes of Government-owned property:*

25 *(1) aluminum plants and facilities; (2) magnesium plants*



1 and facilities; (3) synthetic rubber plants and facilities;  
2 (4) chemical plants and facilities; (5) aviation gasoline  
3 plants and facilities; (6) iron and steel plants and facilities;  
4 (7) pipe lines used for transporting oil; (8) patents,  
5 processes, techniques, and inventions, except such as are neces-  
6 sary to the operation of the plants and facilities herein listed;  
7 (9) aircraft plants and facilities and aircraft and aircraft  
8 parts; (10) shipyards; (11) transportation facilities; and  
9 (12) radio and electrical equipment:

10 (A) Describing the amount, cost, and location of  
11 the property and setting forth other descriptive informa-  
12 tion relative to the use of the property that will no longer  
13 be needed by the United States;

14 (B) Outlining the economic problems that may be  
15 created by disposition of the property;

16 (C) Setting forth a plan or program for the care  
17 and handling, disposition, and use of the property con-  
18 sistent with policies and objectives set forth in this Act;

19 (D) Describing any steps already taken for care  
20 and handling, disposition, and use of the property (in-  
21 cluding any contracts relating thereto), and designating  
22 any property that is to be retained by the United States  
23 for war or common defense purposes.

24 In the event that it is not possible within such period  
25 to prepare and submit a complete report to the Congress as to

1 any class of property, the Board shall submit an interim  
2 report six months after the enactment of this Act, and shall  
3 submit a complete report as soon thereafter as possible.

4 If the Board determines that it is desirable to alter or  
5 change any such plan or program or to prepare a report on  
6 any other class of property, it shall prepare in accordance  
7 with the provisions of this subsection and submit to the  
8 Congress an additional report, setting forth the altered or  
9 changed plan or program or a plan or program relating to  
10 the new class of property.

11 (c) Whenever the Board may deem it to be in the interest  
12 of the objectives of this Act it may authorize the disposition  
13 of any property listed in classes 9 to 12, inclusive, of sub-  
14 section (b) of this section. With respect to the property  
15 listed in classes 1 to 8, inclusive, no disposition shall be made  
16 or authorized until thirty days after such report (or addi-  
17 tional report) has been made while Congress is in session.

18 (d) The reports required in subsections (a) and (b)  
19 of this section shall, when received, be referred to the appro-  
20 priate committees of the Congress and it shall be the duty  
21 of each such committee to consider such report at public or  
22 private hearing as said committee may determine and there-  
23 after to make appropriate report thereon to the respective  
24 Houses.



## ADVISORY COMMITTEES

1  
2       *SEC. 8. Each disposal agency may, under regulations to*  
3 *be prescribed by the Board, organize advisory committees with*  
4 *which it shall consult regarding policies and procedures to*  
5 *govern disposal of the various classes of surplus property*  
6 *under this Act: Provided, That such committees shall perform*  
7 *only advisory and consultative functions and shall not be*  
8 *authorized to promulgate or to administer policies and pro-*  
9 *cedures, which shall be the responsibility of the appropriate*  
10 *Government agencies: Provided further, That full informa-*  
11 *tion on all such committees shall be submitted to the Attorney*  
12 *General and no such committee shall continue any operations*  
13 *or activities which the Attorney General finds, and certifies to*  
14 *the appropriate Government agencies, tend to promote the*  
15 *restraint of trade or the extension of monopoly. Such com-*  
16 *mittees shall be fairly representative of—*

17           *(a) the larger business units of the interested trade*  
18           *or industry, including its wholesale and retail distributors,*  
19           *if any;*

20           *(b) the small business units therein, including dis-*  
21           *tributors;*

22           *(c) genuine member-controlled cooperative or-*  
23           *ganizations;*

24           *(d) the labor groups interested therein; and*

(e) interested farm, consumer, and other groups,  
if any.

### DECLARATION OF SURPLUS PROPERTY

SEC. 9. (a) Every Government agency shall have the duty and responsibility continuously to survey the property in its possession or control and to determine which of such property is surplus to its needs and responsibilities, and to report promptly to the Board and to the appropriate disposal agency any surplus property in its control which the owning agency does not dispose of under section 13.

It shall be the duty of the War and Navy Departments to survey the needs for the defense of the United States in relation to Government-owned plants, facilities, equipment and supplies, and they shall not declare surplus any of these items for which they find that there is a need within the useful life of the item in question.

(b) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each Government agency shall submit to the Board (1) such information and reports with respect to surplus property in its control, in such form,



1 *and at such reasonable times, as the Board may direct; (2)*  
2 *information and reports with respect to other property in its*  
3 *control, to such extent, and in such form, as the agency deems*  
4 *consistent with national security.*

5 *(c) When any surplus property is reported to any dis-*  
6 *posal agency under subsection (a) of this section, the disposal*  
7 *agency shall have responsibility and authority for the dis-*  
8 *position of such property, and for the care and handling of*  
9 *such property pending its disposition, in accordance with the*  
10 *policies, standards, methods, and procedures prescribed by the*  
11 *Board. Where the disposal agency is not prepared at the*  
12 *time of its designation under this Act to undertake the care and*  
13 *handling of such surplus property the Board may postpone the*  
14 *responsibility of the agency to assume its duty for care and*  
15 *handling for such period as it deems necessary to permit its*  
16 *preparation therefor.*

17 *(d) Any Government agency may execute such docu-*  
18 *ments for the transfer of title or other interest in property or*  
19 *take such other action as it deems necessary or proper to trans-*  
20 *fer or dispose of property or otherwise to carry out the pro-*  
21 *visions of this Act, and, in the case of surplus property, shall*  
22 *do so to the extent required by the regulations of the Board.*

23

#### AGENCY INVENTORIES

24

25 *SEC. 10. Every disposal agency shall maintain in each*  
*of its disposal offices full records of the inventories of surplus*

1 *property of such office and of each of the disposal transactions*  
2 *negotiated by such office and shall make the information in*  
3 *such records available for inspection by the public.*

4 *UTILIZATION OF SURPLUS PROPERTY BY FEDERAL*  
5 *AGENCIES*

6 *SEC. 11. (a) It shall be the responsibility of all Gov-*  
7 *ernment agencies, in order to avoid making purchases of*  
8 *needed properties through commercial channels, continuously*  
9 *to consult the records of surplus property established by the*  
10 *Board and to determine whether their requirements can be*  
11 *satisfied from among such surplus property. It shall also be*  
12 *the responsibility of the head of each agency to submit to*  
13 *the Board such estimates of property needed and such re-*  
14 *ports in relation thereto as the Board may deem necessary*  
15 *to promote the fullest utilization of surplus property. It shall*  
16 *be the responsibility of the Board to determine whether Gov-*  
17 *ernment agencies are acquiring surpluses to the fullest pos-*  
18 *sible extent, and to notify agencies whenever, in its judgment,*  
19 *they are not making proper use of the surplus property of*  
20 *other Government agencies.*

21 *(b) The Board shall, to the maximum extent prac-*  
22 *ticable, allocate and transfer to Government agencies surplus*  
23 *property capable of being utilized by them. In so doing,*  
24 *it shall give consideration to the acquisition by the War*  
25 *Department, Navy Department, and Maritime Commission*



1 of surplus property necessary for the prosecution of the war  
2 or for purposes of the common defense and national security.  
3 All such transfers shall be made upon such terms and with  
4 such charge to the appropriation of the transferee for the  
5 value thereof as the Bureau of the Budget shall determine to  
6 be in accordance with existing law.

7 (c) The Board shall resolve any conflict between Gov-  
8 ernment agencies over the acquisition of surplus property  
9 in such manner as will, in its judgment, best effectuate the  
10 objectives of this Act.

11 *DISPOSAL TO LOCAL GOVERNMENTS*

12 *SEC. 12.* The Board may prescribe regulations for the  
13 disposition of surplus property to States, and political sub-  
14 divisions thereof, including municipalities, and to tax-sup-  
15 ported and nonprofit institutions, as follows:

16 (a) Surplus property that is appropriate for school,  
17 classroom, or other educational use may be transferred to  
18 the Federal Security Agency for donation to the States and  
19 their political subdivisions and tax-supported educational  
20 institutions, and, within rules and regulations to be pre-  
21 scribed by the Federal Security Administrator, with the  
22 approval of the Board, to other nonprofit educational insti-  
23 tutions which have been held exempt from taxation under  
24 section 101 (6) of the Internal Revenue Code.

25 (b) Surplus medical supplies and equipment may be

1 transferred to the Federal Security Administration for dona-  
2 tion to the States and their political subdivisions and to tax-  
3 supported medical institutions, and, within rules and regula-  
4 tions to be prescribed by the Federal Security Administrator,  
5 with the approval of the Board, to hospitals or other similar  
6 institutions not operated for profit which have been held  
7 exempt from taxation under section 101 (6) of the Internal  
8 Revenue Code, and to the American Red Cross.

9 (c) Any surplus property may be sold or leased to  
10 States, political subdivisions thereof, including municipalities,  
11 tax-supported institutions, and nonprofit charitable, medical,  
12 and educational institutions which have been held exempt from  
13 taxation under section 101 (6) of the Internal Revenue  
14 Code, at discounts not to exceed 50 per centum of the sale  
15 or lease market value thereof, as the case may be, or 50 per  
16 centum of the highest price offered by any private purchaser  
17 or lessee, whichever is lower: Provided, That other surplus  
18 property not immediately disposable for which the estimated  
19 cost of care and handling and disposition would exceed the esti-  
20 mated proceeds of commercial disposition, may be donated to  
21 States, political subdivisions thereof, including municipalities,  
22 and, within rules and regulations to be prescribed by the  
23 Board, to tax-supported institutions and nonprofit charitable,  
24 medical, and educational institutions which have been held



1 *exempt from taxation under section 101 (6) of the Internal*  
2 *Revenue Code.*

3       *(d) Where property is disposed of pursuant to the*  
4 *provisions of this section, the Board shall see to it that*  
5 *appropriate provisions for control are applied for a period*  
6 *not to exceed two years next succeeding the date of dis-*  
7 *position with respect to the maintenance of the property,*  
8 *its continued use for the general purpose for which it was*  
9 *acquired, repossession by the Federal Government in the*  
10 *event that the conditions of its disposal are not complied*  
11 *with, and related provisions.*

12                   *DISPOSITION BY OWNING AGENCY*

13       *SEC. 13. (a) Any owning agency may dispose of any*  
14 *property for the purpose of aiding in the prosecution of the*  
15 *war and for the common defense or authorize any contractor*  
16 *with such agency or subcontractor thereunder to retain or*  
17 *dispose of any contractor inventories for the purpose of aiding*  
18 *in the prosecution of the war and for the common defense,*  
19 *subject only to the regulations of the Board with respect to*  
20 *price policies: Provided, That no part of such inventories*  
21 *shall be retained or disposed of by such contractor or sub-*  
22 *contractor for any other purpose.*

23       *(b) Subject to subsection (c) of this section and to*  
24 *the provisions of section 21, any owning agency may*  
25 *dispose of—*

1           (1) any property which is damaged or worn  
2       beyond economical repair;

3           (2) any waste, salvage, scrap, or other similar items  
4       not included within the definition of strategic minerals  
5       and metals contained in section 21;

6           (3) any physical products of industrial, research,  
7       agricultural, or livestock operations, or of any public  
8       works construction or maintenance project, carried on  
9       by such agency; and

10          (4) any other similar class or type of surplus prop-  
11       erty designated by the Board.

12       (c) The Board shall have the responsibility for review-  
13   ing the disposal actions and the decisions with respect to the  
14   classification of property of the owning agencies under this  
15   section to assure the fulfillment of the objectives and policies  
16   of this Act and whenever the Board finds it necessary it  
17   shall restrict by regulation or rescind the authority of any  
18   owning agency to dispose of any class of surplus property  
19   under subsection (b) of this section.

#### 20                               SMALL BUSINESS

21       SEC. 14. (a) It shall be the duty of the Board, and it  
22   is hereby authorized and directed, to devise ways and means  
23   and prescribe appropriate regulations and directives, to pre-  
24   vent any discrimination against small business in the disposal  
25   and distribution and use of any Government property covered



1 *by this Act. To that end the Board shall cause the disposal*  
2 *agencies to adopt and pursue the following measures:*

3       (1) *Arrange for the widest practicable notice as*  
4 *far in advance of the sale as practicable, by advertise-*  
5 *ment or otherwise, to be issued and disseminated by*  
6 *the agencies so that large and small enterprises will be*  
7 *reasonably informed of the property offered for sale and*  
8 *the terms and conditions thereof.*

9       (2) *Reduce lots or blocks of any items offered for*  
10 *sale to the smallest practicable units conforming with*  
11 *marketing policy in the agency concerned so that they*  
12 *will be within the reach of small business enterprises.*

13       (3) *In appropriate cases in the discretion of the*  
14 *agency or the Board, arrange for sales on credit or*  
15 *time bases, or such other terms or conditions as will*  
16 *preserve the competitive position of small business enter-*  
17 *prises in the purchase or acquisition of surplus property*  
18 *and accord them a fair opportunity for the acquisition*  
19 *thereof.*

20       (b) *The Smaller War Plants Corporation is hereby*  
21 *specifically charged with the responsibility of cooperating*  
22 *with the Board and with the owning and disposal agencies,*  
23 *of making surveys from time to time, and bringing to the atten-*  
24 *tion of the agencies, or the Board, the needs and require-*  
25 *ments of small business and any cases or situations which*  
26 *have resulted in or would effect discrimination against small*

1 *business in the purchase or acquisition of Government prop-*  
2 *erty by them and in the disposal thereof by the agencies.*

3 *(c) The Smaller War Plants Corporation is hereby*  
4 *authorized and directed to consult with small business to*  
5 *obtain full information concerning the needs of small business*  
6 *for surplus property and to disseminate information and other*  
7 *guidance concerning the disposition and acquisition of sur-*  
8 *plus property among small business enterprises in industry*  
9 *and trade.*

10 *(d) The Smaller War Plants Corporation shall recom-*  
11 *mend to the Congress any measures which it deems advis-*  
12 *able for the removal of discriminations against small business*  
13 *in the acquisition and use of Government-owned plants and*  
14 *properties, in accordance with the objectives of this Act.*

15 *(e) The Smaller War Plants Corporation shall have*  
16 *the power to purchase any surplus property for resale or*  
17 *other disposition to small business (and is empowered to*  
18 *receive other property in exchange as partial or full payment*  
19 *therefor), when in its judgment, such disposition is required*  
20 *to preserve and strengthen the competitive position of small*  
21 *business, or will assist the Corporation in the discharge of*  
22 *the duties and responsibilities imposed upon it.*

23 *(f) The Smaller War Plants Corporation is hereby*  
24 *authorized, for the purpose of carrying out the objectives of*  
25 *this section, to make or guarantee loans to small business*



1 enterprises in connection with the acquisition, conversion,  
2 and operation of plants and facilities, and, in cooperation  
3 with the disposal agencies, to arrange for sales of surplus  
4 property to small business concerns on credit or time bases.

5 *DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES*

6 *SEC. 15. (a) Notwithstanding any other provision of this*  
7 *Act or of any other Act or of any Executive order, the War*  
8 *Food Administrator or his successor, shall be solely respon-*  
9 *sible for the formulation of policies and the carrying out of*  
10 *programs with respect to the disposal of surplus agricultural*  
11 *commodities. The War Food Administrator or his successor,*  
12 *subject to the provisions of existing law, shall formulate work-*  
13 *able plans for the disposition of surplus agricultural com-*  
14 *modities in such a manner as to prevent these excess supplies*  
15 *from being dumped on the market in a disorderly manner and*  
16 *disrupting the market prices for agricultural commodities.*

17 *(b) The Board shall not exercise any of its powers under*  
18 *this Act with relation to disposal of surplus cotton or woolen*  
19 *goods except with the approval in writing of the War Food*  
20 *Administrator or his successor.*

21 *No department or agency of the Federal Government*  
22 *shall sell or otherwise dispose of surplus cotton or woolen*  
23 *goods except in accordance with the orders and regulations*  
24 *of the Board, approved in writing as hereinbefore provided*  
25 *by the War Food Administrator or his successor.*

## DISPOSITION OF PLANTS

1  
2       *SEC. 16. Whenever the Board or any disposal agency*  
3 *shall begin negotiations for the disposition to private inter-*  
4 *ests of a plant or plants or other property representing an*  
5 *original cost to the Government of \$1,000,000 or more, or*  
6 *of patents, processes, techniques or inventions, irrespective of*  
7 *cost, the Board or disposal agency shall promptly notify*  
8 *the Attorney General of the proposed disposition and the*  
9 *probable terms or conditions thereof. Within a reasonable*  
10 *time after receiving such notification the Attorney General*  
11 *shall advise the Board or disposal agency whether the pro-*  
12 *posed disposition will either violate the antitrust laws, or*  
13 *encourage monopoly or undue concentration of industry or*  
14 *commerce or restrain competition substantially. Upon the*  
15 *request of the Attorney General, the Board or other Gov-*  
16 *ernment agency shall furnish or cause to be furnished such*  
17 *information as the Board or any such agency may possess*  
18 *which the Attorney General determines to be appropriate*  
19 *or necessary to enable him to give the advice called for by*  
20 *this section or to determine whether any other disposition*  
21 *of surplus property violates the antitrust laws. Nothing in*  
22 *this Act shall impair, amend, or modify the antitrust laws*  
23 *or limit and prevent their application to persons who buy*  
24 *or otherwise acquire property under the provisions of this*  
25 *Act. As used in this section, the term "antitrust laws"*



1 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),  
2 as amended; the Act of October 15, 1914 (ch. 323, 38  
3 Stat. 730), as amended; the Federal Trade Commission Act;  
4 and the Act of August 27, 1894 (ch. 349, secs. 73, 74,  
5 28 Stat. 570), as amended.

6       SEC. 17. Every contract for the sale, or lease for two  
7 years or more, of a plant shall be made upon the condition  
8 that the purchaser, lessee, or transferee, and their transferees,  
9 if any, shall maintain the plant in substantial operation and  
10 production for a period of two years next succeeding the  
11 effective date of the contract, or, next succeeding the date  
12 upon which operations begin after a period of conversion and  
13 alteration to be approved by the Board, but not to exceed  
14 one year, and that upon breach of such condition, the Gov-  
15 ernment may rescind the contract and upon return of so  
16 much of the consideration as shall be equitable, recover the  
17 plant: Provided, however, That when such operation or pro-  
18 duction is prevented by any cause beyond the control of the  
19 purchaser, lessee, or transferee, or their transferees, it shall  
20 not be considered a breach of such condition.

21       SEC. 18. Every existing option to purchase or otherwise  
22 acquire Government-owned property shall, before it is con-  
23 summated, be submitted to the Attorney General for his  
24 opinion as to its validity.

25       SEC. 19. Except as herein or otherwise provided, no

1 *Government agency shall, in competition with private in-*  
 2 *dustry, manufacture or produce any articles or com-*  
 3 *modities for civilian use in plants acquired by the Defense*  
 4 *Plant Corporation: Provided, That the foregoing shall not*  
 5 *be construed to prohibit the manufacture or production*  
 6 *of articles or commodities for civilian use when specifically*  
 7 *authorized by Act of Congress, in plants or facilities (such*  
 8 *as the Government Printing Office, power and public works*  
 9 *projects, prisons, reformatories, and hospitals and like*  
 10 *institutions) not constructed or acquired for war purposes.*

11 *LIMITATIONS ON DISPOSITION OF AIRPORT AND HARBOR*  
 12 *FACILITIES AND FORTS*

13 *SEC. 20. (a) In order that States and political subdivi-*  
 14 *sions thereof, including municipalities, and other governmental*  
 15 *units and agencies may have an opportunity to enter into*  
 16 *arrangements for the use, operation, or acquisition of airport*  
 17 *and harbor and port terminal facilities, no such facilities shall*  
 18 *be disposed of or dismantled except after a report to the Con-*  
 19 *gress, including recommendations of the Civil Aeronautics*  
 20 *Administration in the case of airport facilities and the Secre-*  
 21 *tary of Commerce in the case of harbor and port terminal*  
 22 *facilities; and no technical equipment of any airport left in a*  
 23 *standby condition shall be removed except for use at some*  
 24 *other place until reasonable opportunity is afforded to inter-*



1 *ested governmental units to enter into arrangements for the*  
2 *operation of such airport.*

3       (b) Any real property which is a part of any perma-  
4   nent military reservation or post or fort, either occupied or  
5   held in standby status, is excluded from the provisions of this  
6   Act, and shall not be disposed of except upon authorization  
7   by law hereafter granted.

## STOCK-PILING

9        SEC. 21. All Government-owned accumulations of stra-  
10        tegic minerals and metals, including those owned by any  
11        Government corporation, shall be transferred by the owning  
12        agency, when determined to be surplus pursuant to this Act,  
13        to the account of the Treasury Procurement Division and  
14        shall be added to the stock-pile authorized by the Act of June  
15        7, 1939 (53 Stat. 811), as amended, and shall be subject  
16        to its provisions. The minerals and metals may be trans-  
17        ferred in any form in which they are held, and they shall  
18        thereafter be put into forms best suited for storage and use  
19        for the common defense. As used in this section the phrase  
20        "strategic minerals and metals" means all minerals and  
21        metals included in either group A or group B of the list  
22        of strategic and critical materials determined upon by the  
23        Army and Navy Munitions Board on March 6, 1944, and  
24        any other minerals or metals which said Board determines  
25        should be added to group A or group B, and shall include

1 ores, concentrates, alloys, scrap, and partially and completely  
2 fabricated articles of which the principal components by  
3 value consist of such minerals and metals, but shall not  
4 include such fabricated articles as the Army and Navy  
5 determine are not suitable for their use in the form in which  
6 fabricated and which may be disposed of commercially at  
7 value substantially in excess of the metal market price of  
8 the component minerals and metals of such fabricated articles.  
9 Transfers under this section shall be made without reim-  
10 bursement or transfer of funds except that, if the Recon-  
11 struction Finance Corporation or any of its subsidiaries is  
12 the owning agency for any property so transferred, the  
13 Secretary of the Treasury shall cancel notes of the Recon-  
14 struction Finance Corporation in an amount equal to the  
15 cost of the property so transferred.

#### 16 DISPOSAL OF SURPLUS REAL PROPERTY

17 SEC. 22. (a) Notwithstanding any other provision of  
18 this Act property as defined in this section shall be disposed  
19 of only as provided in this section.

20 (b) As used in this section, unless the context otherwise  
21 requires, the term "property" includes land, together with  
22 any fixtures and improvements thereon, located outside of the  
23 District of Columbia acquired (since December 31, 1939)  
24 by the United States or by any corporation wholly owned  
25 by the United States, but does not include the public domain,



1 or lands withdrawn or reserved from the public domain, and  
2 does not include war housing, industrial plants, factories, or  
3 similar structures or facilities, or the sites thereof.

4 (c) (1) The Secretary of the Interior shall establish  
5 and maintain in the General Land Office a central inventory  
6 of all lands now owned and held or hereafter acquired by  
7 the United States for its use, including lands in its Terri-  
8 tories and possessions, and, in his discretion, may include in  
9 such inventory any other lands, or any interests in lands,  
10 now held or hereafter acquired by the United States. The  
11 inventory shall also show the disposal which may be made  
12 of any of the lands or interests included therein.

13 (2) Any Government agency authorized to acquire,  
14 accept, or hold title to or an interest in land in the name of  
15 the United States or of such agency, or which has federally  
16 owned land, other than public-domain land, under its juris-  
17 diction or control, shall submit to the Secretary of the Interior  
18 for recordation in the General Land Office the documents by  
19 which the title to or an interest in the lands covered by this  
20 subsection was acquired by a Government agency, or disposed  
21 of subsequent to the effective date of this Act, together with  
22 such other data, including a plat of the tract of land involved,  
23 as may be required. The General Land Office, after making  
24 a copy for its records by such methods as it deems feasible,  
25 shall return the original documents, except any plat that may

1 have been required, to the agency submitting them with an  
2 appropriate notation thereon showing that they have been  
3 recorded by the General Land Office.

4 (3) All provisions of law relating to the custody, use,  
5 and effect of records of the General Land Office, including the  
6 Act of August 24, 1912 (37 Stat. 497; 5 U. S. C., secs.  
7 488-492), shall apply to records made under the authority  
8 of this subsection. Authenticated copies of any such record  
9 certified as being a true copy of the document from which  
10 such record was made shall be admissible in evidence equally  
11 with the original of such document.

12 (d) (1) It shall be the duty of the head of every Gov-  
13 ernment agency to make a survey of property which is under  
14 the jurisdiction of the agency and which was acquired subse-  
15 quent to December 31, 1939, to determine if any part of the  
16 property is not needed by the agency for the efficient per-  
17 formance of its functions. If he finds that any such property  
18 is unnecessary for such purpose, he shall report his findings  
19 to the Secretary of the Interior, together with a description of  
20 the property which is not needed by the agency, and shall  
21 thereupon transfer jurisdiction over such property to the  
22 Secretary of the Interior. Property transferred to the Secre-  
23 tary under this subsection is hereinafter referred to as "surplus  
24 real property".

25 (2) This subsection shall not apply to any property



1 *which has been specifically set aside by Act of Congress for*  
2 *specific purposes, or which is held by a credit agency in*  
3 *the course of its lending operations, or which is authorized*  
4 *to be disposed of pursuant to section 43 of the Bankhead-Jones*  
5 *Farm Tenant Act, as amended, or which is held by any*  
6 *agency or person under subdivision (b) of section 5 of the*  
7 *Trading with the Enemy Act of October 6, 1917 (40 Stat.*  
8 *411), as amended.*

9       *(e) Immediately after the transfer of surplus real prop-*  
10 *erty to the Secretary of the Interior it shall be the duty of*  
11 *the said Secretary and the Secretary of Agriculture, acting*  
12 *jointly, to classify such property as agricultural, grazing,*  
13 *forest, mineral, or otherwise, as they may deem advisable.*  
14 *The classification may be revised from time to time. In case*  
15 *of disagreement as to the classification of any property the*  
16 *Director of War Mobilization or his successor shall make the*  
17 *decision.*

18       *(f) (1) In the case of any surplus real property which*  
19 *was acquired by any Government agency after December 31,*  
20 *1939, and is classified under this section as agricultural land,*  
21 *the person from whom such land was acquired or, in the*  
22 *event of his death, his lineal heirs, shall be given notice that*  
23 *the land is to be disposed of by the United States and shall*  
24 *be entitled to purchase such land, in substantially the iden-*  
25 *tical tract as when acquired from such person, at private sale*

1 at any time during the period of ninety days following such  
2 notice: *Provided, That such period shall be extended in any*  
3 *case when it appears that such extension is necessary or*  
4 *appropriate to facilitate the sale of any land under this sub-*  
5 *section.*

6 (2) *In the event that land which was employed in farm-*  
7 *ing operations when acquired by the Government but which*  
8 *is no longer classified as agricultural land, is transferred*  
9 *to the Secretary of the Interior under this Act, the former*  
10 *owner of such land and his lineal heirs may be offered*  
11 *similar agricultural land in the same area, if such land is*  
12 *available.*

13 (3) *Where a tenant of the former owner of agricultural*  
14 *land, who was a tenant at the time of the acquisition of such*  
15 *land by the United States, signifies his intention to purchase*  
16 *such land within a period of ninety days following notice*  
17 *of sale, and the former owner or his heirs are unavailable*  
18 *or decline to exercise the privilege, the tenant shall be entitled*  
19 *to purchase the land at private sale. If the tenant is unable*  
20 *to purchase the land that he was operating at the time of*  
21 *acquisition by the Government, and similar agricultural land*  
22 *in the same area is available after former owners (or their*  
23 *lineal heirs or tenants) have exercised their privileges, the*  
24 *tenant shall be entitled to purchase such land.*

25 (4) *In the event there is more than one applicant for*



1 the purchase of the land, the Secretary of the Interior or the  
2 Secretary of Agriculture, as the case may be, shall determine  
3 whether the land is capable of subdivision, and, if subdivi-  
4 sion would result in the creation of farms in less than family-  
5 size units, the priority among the applicants for the right to  
6 purchase shall be determined by lot.

7 (5) The price to be paid for land sold under this sub-  
8 section shall be an amount equal to the price paid for it at  
9 the time of its acquisition by the department or agency by  
10 which it was acquired, increased or decreased, as the case  
11 may be, by an amount equal to any increase or decrease in  
12 the market value of such land by reason of any improve-  
13 ments or changes made thereon, or by reason of the use  
14 thereof, during the time it was owned by the United States,  
15 or a price equal to the market price at the time of sale of  
16 such surplus land, whichever price is the lower.

17 (6) The Secretary of the Interior or the Secretary of  
18 Agriculture, as the case may be, shall determine the method of  
19 giving notice and may prescribe notice by publication for  
20 such period and in such manner as he deems appropriate or  
21 by other means, and may by regulation prescribe methods  
22 for the identification of the person entitled to exercise the  
23 privileges conferred by this subsection.

24 (g) (1) For a period of fifteen years following the  
25 effective date of this Act, whenever any surplus real property

1 *classified as suitable for agricultural, residential, or small*  
2 *business purposes is to be disposed of, veterans shall be*  
3 *granted a preference in the acquisition or purchase of such*  
4 *property over nonveterans, except as provided in subsection*  
5 *(f) of this section. The Secretary of the Interior or the*  
6 *Secretary of Agriculture, as the case may be, shall determine*  
7 *the units in which the property is to be disposed of, giving*  
8 *due consideration to the character of the property, the eco-*  
9 *nomie use to which it is to be put, and the objectives of*  
10 *disposition as set forth in this Act.*

11 *(2) Except as to property to be disposed of under the*  
12 *public land laws, the following procedure shall govern the*  
13 *exercise of veterans' preference rights under this subsection:*  
14 *The Secretary of the Interior or the Secretary of Agriculture,*  
15 *as the case may be, shall determine the fair market value of*  
16 *each unit. Before any such property is offered for sale,*  
17 *except under subsection (f), either by public sale or by nego-*  
18 *tiated sale, any veteran may apply for the purchase of any*  
19 *or all units offered for sale at the price established by the Sec-*  
20 *retary. The Secretary shall prescribe the time within which*  
21 *application shall be made and shall give such notice thereof*  
22 *as he deems reasonable to enable veterans to exercise their*  
23 *rights under this subsection. The Secretary shall select the*  
24 *purchaser of each unit by lot from among the applicants for*  
25 *the unit. If any applicant is selected as the purchaser of more*



1 than one unit, he shall elect which one to take, whereupon the  
2 right to purchase the remaining units shall go to the remain-  
3 ing applicants in the order in which their names were drawn.  
4 No veteran may apply for the purchase of any property un-  
5 der the provisions of this subsection if he has previously exer-  
6 cised a preference right under this section and has acquired  
7 property pursuant thereto, except that the purchase by such  
8 veteran of a tract or tracts of land aggregating not more  
9 than fifteen acres shall not prevent such veteran from acquir-  
10 ing a homestead under the public land laws. Sales to  
11 veterans under this subsection shall be upon such terms as  
12 the Secretary may prescribe. If no sale of property to a  
13 veteran is effected under this subsection, the property shall  
14 be disposed of as provided in subsection (h).

15 (3) The preference right accorded to each veteran may,  
16 if not previously exercised, be exercised upon his death by  
17 his spouse or by his children, in that order. The same pref-  
18 erence right shall also be extended to the spouse or children of  
19 any person who, except for his death while in active service,  
20 would qualify as a veteran under the provisions of this Act.  
21 No preference right may be assigned or exercised by power of  
22 attorney or through a power to select except as may be  
23 permitted by regulations prescribed by the Secretary of the  
24 Interior and the Secretary of Agriculture, in order to prevent  
25 the loss of such right by the holder thereof.

1       (h) (1) *Lands classified as suitable for disposition under*  
2 *the homestead and other public land laws shall be disposed of*  
3 *in accordance, or as near as may be, with the provisions of*  
4 *such laws.*

5       (2) *Lands classified as suitable for agricultural use,*  
6 *other than those to be disposed of under the homestead*  
7 *and other public land laws shall be transferred to the Secre-*  
8 *tary of Agriculture and shall be subdivided by him when-*  
9 *ever practicable into economic family-size units (taking into*  
10 *consideration the variations in sizes of economic units in differ-*  
11 *ent localities) and, after opportunity for exercise of the pref-*  
12 *erences under subsection (f) has been afforded, shall be sold*  
13 *insofar as possible to persons who expect to cultivate such*  
14 *land and to operate it for a livelihood. The Department of*  
15 *Agriculture is authorized and directed, within the limits of*  
16 *its current functions under the Bankhead-Jones Farm Tenant*  
17 *Act, to extend needed financial and other assistance to per-*  
18 *sons eligible for such assistance under the Bankhead-Jones*  
19 *Farm Tenant Act and the Servicemen's Readjustment Act*  
20 *of 1944, in connection with the disposal of surplus agricul-*  
21 *tural lands pursuant to this subsection.*

22       (3) *Before disposing of any other surplus real property,*  
23 *the Secretary of the Interior shall appraise the property and*  
24 *determine its fair market value. The property may then be*  
25 *sold at public sale or by negotiated sale, whichever method is*



1 *determined by the Secretary to be most in the public interest.*  
2 *If the property is to be sold at public sale, the Secretary shall*  
3 *give public notice thereof at least ninety days prior to the*  
4 *date of sale. He shall sell the property upon such terms as*  
5 *he deems most in the public interest to any person whose bid*  
6 *equals or exceeds the appraised value of the property and*  
7 *to whom a sale would be in accordance with the objectives of*  
8 *this Act. If the property is to be sold by negotiation, the*  
9 *Secretary shall, upon the conclusion of the negotiations, give*  
10 *public notice for ninety days of the terms of the proposed*  
11 *sale. The notice shall state that during such period, pro-*  
12 *tests against the sale may be made to the Secretary. At the*  
13 *end of the period the Secretary may approve or disapprove*  
14 *of the sale.*

15 *(i) In disposing of any property under subsection (h)*  
16 *(1) of this section the Secretary of the Interior shall (ex-*  
17 *cept in case of a sale to the original owner or his lineal heirs*  
18 *or tenants or to a veteran or his spouse or children) reserve to*  
19 *the United States all oil, gas, and other mineral deposits in the*  
20 *property; and such reservation of minerals shall be expressly*  
21 *stated in the instrument of conveyance.*

22 *(j) Upon the sale of any surplus real property under*  
23 *this section, the property may be taxed to the purchaser by*  
24 *the State or any local public taxing unit in which the prop-*

erty is located upon the purchaser's taking possession thereof even though title thereto has not yet passed to the purchaser. The United States shall not be liable in any way for any tax which may be imposed on the property, and in the event all interests in the property revert to the United States prior to the passage of title, any lien on such property for unpaid taxes shall be extinguished.

(k) The Secretary of the Interior and the Secretary of Agriculture each shall, not later than the January 1 following the end of each fiscal year, submit to the Congress a report on their activities under the provisions of this section for that fiscal year. Such reports shall contain any recommendations for legislation or other action which the Secretary of the Interior or the Secretary of Agriculture believes will facilitate the operation of this section. The report of the Secretary of the Interior shall show by States the total area of land under the jurisdiction of each Government agency, the total area acquired and disposed of during the fiscal year, and other related data, together with a statement of the authority under which such acquisitions and disposals were made.

(l) The Secretary of the Interior and the Secretary of Agriculture may perform such acts and adopt such rules and regulations as are necessary for carrying out the provisions of this Act.

(m) In the case of sales of real property under this sec-



1 tion or under any other provision of this Act, the form of  
 2 deed or instrument of transfer shall be approved by the  
 3 Attorney General. Deeds or other instruments containing  
 4 general or special warranties of title may be issued and  
 5 delivered to purchasers provided such warranties have been  
 6 recommended and approved by the Attorney General. In  
 7 determining whether general or special warranty deeds to  
 8 properties may be issued and delivered, the Attorney Gen-  
 9 eral is authorized to approve the issuance and delivery of  
 10 warranty deeds where titles are subject to infirmities of such  
 11 character that in his opinion the interests of the United  
 12 States will not be jeopardized under its warranty.

### 13 CIVIL REMEDIES AND PENALTIES

14 SEC. 23. (a) Where any property is disposed of in  
 15 accordance with this Act and any regulations prescribed  
 16 under this Act, no officer or employee of the Government  
 17 shall (1) be liable with respect to such disposition except  
 18 for his own fraud or (2) be accountable for the collection of  
 19 any purchase price which is determined to be uncollectible  
 20 by the agency responsible therefor.

21 (b) Every person (1) who makes or causes to be made,  
 22 or presents or causes to be presented, or delivers or causes to  
 23 be delivered to any employee, officer, agent, or representative  
 24 of the United States or any Government agency or to any  
 25 person in the civil, military, or naval service of the United

1 *States any claim, bill, receipt, check, voucher, statement, ac-*  
 2 *count, certificate, affidavit, deposition, or other document,*  
 3 *knowing the same to be false, fraudulent, or fictitious or*  
 4 *knowing the same to contain or to be based on any false,*  
 5 *fraudulent, or fictitious statement or entry; or (2) who shall*  
 6 *cover up, or conceal, or misrepresent any material fact; or*  
 7 *(3) who shall perform or engage in or cause to be performed*  
 8 *or engaged in any act or acts with intent to defraud the*  
 9 *United States; or (4) who shall use or engage in or cause*  
 10 *to be used or engaged in any fraudulent trick, scheme, or*  
 11 *device, for the purpose of securing or obtaining, or aiding*  
 12 *to secure or obtain, for any person any payment, property,*  
 13 *or other benefits from the United States or any Government*  
 14 *agency in connection with the disposition of property under*  
 15 *this Act; or (5) who enters into an agreement, combination,*  
 16 *or conspiracy to do any of the foregoing—*

17         *(i) shall pay to the United States the sum of \$2,000*  
 18         *for each such act, and double the amount of any damage*  
 19         *which the United States may have sustained by reason*  
 20         *thereof, together with the costs of suit; or*

21         *(ii) shall, if the United States shall so elect, pay to*  
 22         *the United States, as liquidated damages, a sum equal*  
 23         *to twice the consideration agreed to be given by such*  
 24         *person to the United States or any Government agency;*  
 25         *or*



1           (iii) shall, if the United States shall so elect, restore  
2       to the United States the property thus secured and ob-  
3       tained and the United States shall retain as liquidated  
4       damages any consideration given to the United States or  
5       any Government agency for such property.

6       (c) The several district courts of the United States, the  
7       District Court of the United States for the District of  
8       Columbia, and the several district courts of the Territories  
9       of the United States, within whose jurisdictional limits the  
10      person, or persons, doing or committing such act, or any  
11      one of them, resides or shall be found, shall wheresoever  
12      such act may have been done or committed, have full power  
13      and jurisdiction to hear, try, and determine such suit, and  
14      such person or persons as are not inhabitants of or found  
15      within the district in which suit is brought may be brought  
16      in by order of the courts to be served personally or by pub-  
17      lication or in such other reasonable manner as the court  
18      may direct.

19       (d) The civil remedies provided in this Act shall be  
20      in addition to all other criminal penalties and civil remedies  
21      provided by law.

22       SEC. 24. It shall be unlawful for any person employed  
23      in any Government agency, including commissioned officers  
24      assigned to duty in such agency, during the period and for  
25      two years after the period that such person is engaged in

1 such employment or service, to seek or take employment with  
2 any person to whom disposition of Government property  
3 has been made under this Act, or to become counsel, attorney,  
4 or agent for such person, if such Government officer or em-  
5 ployee has been directly connected with such disposition.  
6 Any person violating the provisions of this section shall be  
7 fined not more than \$10,000, or imprisoned for not more  
8 than one year, or both.

9 SEC. 25. The first section of the Act of August 24, 1942  
10 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is  
11 amended to read as follows:

12 "The running of any existing statute of limitations appli-  
13 cable to any offense against the laws of the United States (1)  
14 involving defrauding or attempts to defraud the United States  
15 or any agency thereof whether by conspiracy or not, and in  
16 any manner, or (2) committed in connection with the nego-  
17 tiation, procurement, award, performance, payment for,  
18 interim financing, cancelation or other termination or settle-  
19 ment, of any contract, subcontract, or purchase order which is  
20 connected with or related to the prosecution of the present war,  
21 or with any disposition of termination inventory by any war  
22 contractor or Government agency, or (3) committed in con-  
23 nection with the care and handling and disposal of property  
24 under the Surplus Property Act, shall be suspended until  
25 three years after the termination of hostilities in the present



1 war as proclaimed by the President or by a concurrent reso-  
2 lution of the two Houses of Congress. This section shall  
3 apply to acts, offenses, or transactions where the existing  
4 statute of limitations has not yet fully run, but it shall not  
5 apply to acts, offenses, or transactions which are already  
6 barred by provisions of existing law."

7 MISCELLANEOUS PROVISIONS

8 SEC. 26. Surplus property disposals may be made with-  
9 out regard to any provision in existing law for competitive  
10 bidding, unless the Board shall determine that disposal by  
11 competitive bid will in a given case better effectuate the policy  
12 of the Act.

13 SEC. 27. (a) All proceeds from any transfer or disposi-  
14 tion of property under this Act shall be deposited and  
15 covered into the Treasury as miscellaneous receipts, except  
16 as provided in subsections (b), (c), and (d) of this section.

17 (b) Where the property transferred or disposed of was  
18 acquired by the use of funds either not appropriated from the  
19 general fund of the Treasury or appropriated from the general  
20 fund of the Treasury but by law reimbursable from assess-  
21 ment, tax, or other revenue or receipts, then upon the request  
22 of the interested agency, the proceeds of the disposition or  
23 transfer shall be credited to the reimbursable fund or appro-  
24 priation or paid to the owning agency.

25 (c) To the extent authorized by the Board, any Gov-

1 *ernment agency disposing of property under this Act (1)*  
2 *may deposit, in a special account with the Treasurer of the*  
3 *United States, such amount of the proceeds of such disposi-*  
4 *tions as it deems necessary to permit appropriate refunds*  
5 *to purchasers when any disposition is rescinded or does not*  
6 *become final, or payments for breach of any warranty, and*  
7 *(2) may withdraw therefrom amounts so to be refunded or*  
8 *paid, without regard to the origin of the funds withdrawn.*

9 *(d) Where a contract or subcontract authorizes the*  
10 *proceeds of any sale of property in the custody of the con-*  
11 *tractor or subcontractor to be credited to the price or cost*  
12 *of the work covered by such contract or subcontract, the*  
13 *proceeds of any such sale shall be credited in accordance*  
14 *with the contract or subcontract and shall not be subject to*  
15 *subsection (a) of this section.*

16 *SEC. 28. (a) Any Government agency is authorized*  
17 *to use for the disposition of property under this Act and for*  
18 *its completion and care and handling, pending such disposi-*  
19 *tion, any funds heretofore or hereafter appropriated, allo-*  
20 *cated, or available to it for such purposes or for the purpose of*  
21 *production or procurement of such property.*

22 *(b) Any Government agency is authorized to use for*  
23 *the acquisition of any surplus property under this Act any*  
24 *funds heretofore or hereafter appropriated, allocated, or avail-*  
25 *able to it for the acquisition of property of the same kind,*



1       (c) There are authorized to be appropriated such sums  
2 as may be necessary or appropriate for administering the  
3 provisions of this Act.

4       SEC. 29. (a) Nothing in this Act shall limit or affect  
5 the authority of commanders in active theaters of military  
6 operations to dispose of property in their control.

7       (b) The provisions of this Act shall be applicable to  
8 dispositions of property within the United States and else-  
9 where, but the Board may exempt from some or all of the  
10 provisions hereof, except the provisions of section 6, disposi-  
11 tions of property located outside of the continental United  
12 States, its Territories and possessions, whenever it deems  
13 that such provisions would obstruct the efficient and economic  
14 disposition of such property in accordance with the objectives  
15 of this Act.

16       SEC. 30. A deed, bill of sale, lease, or other instrument  
17 purporting to transfer title or any other interest in surplus  
18 property under this Act, which is executed by or on behalf  
19 of the Board, or by the Government agency to which the  
20 Board shall have assigned such surplus property for dis-  
21 posal, shall be conclusive evidence of compliance with the  
22 provisions of this Act so far as the title or other interest of  
23 any bona fide purchaser or lessee, as the case may be, is  
24 concerned.

25       SEC. 31. (a) This Act shall not impair or affect any

1 authority for the disposition of property under any other  
2 law not inconsistent herewith, except that the Board may  
3 prescribe regulations to govern any disposition of surplus  
4 property under any such authority to the same extent as if  
5 the disposition were made under this Act, whenever it deems  
6 such action necessary to effectuate the objectives and policies  
7 of this Act.

8 (b) Nothing in this Act shall impair or affect the pro-  
9 visions of the Emergency Price Control Act of 1942, as  
10 amended; the Act of October 2, 1942 (ch. 578, 56 Stat.  
11 765), as amended; section 301 of the Second War Powers  
12 Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as  
13 amended; the Tennessee Valley Authority Act of 1933, as  
14 amended; Public Law 849, Seventy-sixth Congress, respecting  
15 war housing; or Acts supplemental thereto, or of any law  
16 regulating the export of property from the United States,  
17 or the statutes relating to the public lands.

18 SEC. 32. If any provision of this Act, or the application  
19 of such provision to any person or circumstance, is held  
20 invalid, the remainder of this Act or the application of such  
21 provision to persons or circumstances other than those as to  
22 which it is held invalid, shall not be affected thereby.

#### 23 DEFINITIONS

24 SEC. 33. As used in this Act—

25 (a) The term "Government agency" means any execu-



1    *tive department, board, bureau, independent commission,*  
2    *or other agency in the executive branch of the Federal*  
3    *Government, and any corporation wholly owned and con-*  
4    *trolled by the United States.*

5        *(b) The term "owning agency" means a Government*  
6    *agency having control of property at the time when it is*  
7    *determined to be surplus to the needs and responsibilities of*  
8    *that agency.*

9        *(c) The term "disposal agency" means any Govern-*  
10    *ment agency designated under this Act to handle disposition*  
11    *of one or more classes of surplus property, except owning*  
12    *agencies.*

13        *(d) The term "property" means any interest in prop-*  
14    *erty, real or personal, owned by the United States or any*  
15    *Government agency, including, but not limited to, patents,*  
16    *processes, techniques and inventions, and plants, facilities,*  
17    *equipment, machinery, accessories, parts, assemblies, prod-*  
18    *ucts, commodities, materials, and supplies of all kinds,*  
19    *whether new or used, and wherever located.*

20        *(e) The term "surplus property" means any property*  
21    *which has been determined to be surplus to the needs and*  
22    *responsibilities of the owning agency in accordance with*  
23    *section 9 of this Act.*

24        *(f) The term "contractor inventory" means any prop-*  
25    *erty allocable to the terminated portion of a contract of any*

1 *type with a Government agency or to a subcontract there-*  
2 *under.*

3       (g) *The term "care and handling" includes completing,*  
4 *repairing, converting, rehabilitating, operating, maintaining,*  
5 *preserving, protecting, insuring, storing, packing, handling,*  
6 *and transporting.*

7       (h) *The term "option" means any contractual right to*  
8 *retain or acquire any property at a price and upon terms*  
9 *prescribed or determined by the contract.*

10       (i) *The term "person" means any individual, corpora-*  
11 *tion, partnership, firm, association, trust, estate, or other*  
12 *entity.*

13       (j) *The term "State" includes the several States, Terri-*  
14 *tories, and possessions of the United States, and the District*  
15 *of Columbia.*

16       (k) *The term "tax-supported institution" means any*  
17 *scientific, literary, educational, public-health, or public-wel-*  
18 *fare institution which is supported in whole or in part through*  
19 *the use of funds derived from taxation by the United States,*  
20 *or by any State or political subdivision thereof.*

21       (l) *The term "veteran" means any person who during*  
22 *the present war was entitled to the benefits afforded by the*  
23 *Soldiers' and Sailors' Civil Relief Act of 1940, as now or*  
24 *hereafter amended, and who has been honorably discharged*  
25 *or otherwise honorably separated from the service entitling*



1 him to such benefits; but the term "veteran" does not include  
2 any person who was entitled to such benefits solely by reason  
3 of being ordered to report for induction under the Selective  
4 Training and Service Act of 1940, as amended.

5 (m) The term "disposal" or "disposition" means sale,  
6 conditional sale, or lease, for cash, credit, or other property,  
7 donation when specifically authorized in section 12; or any  
8 other transfer.

9 *EFFECTIVE DATE*

10 *SEC. 34. This Act shall become effective on the date of*  
11 *its enactment.*

12 *SHORT TITLE*

13 *SEC. 35. This Act may be cited as the "Surplus Prop-*  
14 *erty Act".*

Amend the title so as to read: "A bill to aid the recon-  
version from a war to a peace economy through the dis-  
tribution of Government surplus property and to establish a  
Surplus Property Administration to effectuate the same, and  
for other purposes."





78<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2065**

[Report No. 1057]

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## **A BILL**

To establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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By Mr. STEWART, Mr. MURRAY, and Mr. TART

AUGUST 10 (legislative day, AUGUST 8), 1944

Read twice and referred to the Committee on Military  
Affairs

AUGUST 22 (legislative day, AUGUST 15), 1944

Reported with amendments

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 22 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HATCH to the bill (S. 2065)  
to establish a Surplus War Property Administration; to  
provide for the proper disposal of surplus war property;  
and for other purposes, viz: At the proper place in the bill  
insert the following:

1        "And to accomplish these objectives the Administrator  
2 is expressly authorized and instructed to sell any surplus  
3 property which the Secretary of Agriculture may certify  
4 as being needed for soil conservation to any soil conserva-  
5 tion district duly organized under State or Federal law on  
6 credit without any down payment and on quarterly install-  
7 ments payable over a period of five years."



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## AMENDMENT

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Intended to be proposed by Mr. HATCH to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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AUGUST 22 (legislative day, AUGUST 15), 1944  
Ordered to lie on the table and to be printed

S. 2045, AN AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO S. 2045, INTENDED TO BE PROPOSED BY MR. JOHNSON,  
AS COMPARED WITH CLAYTON DRAFT

Sec. 1. Objectives.-- Same as Clayton draft except that in lieu of subsection (a) and subsection (b) the following are substituted:

- "(a) to assure the most effective use of such property for the purpose of war and National defense by creating a stock pile therefrom;  
"(b) to retain control in Congress of the distribution of surplus property;"

Sec. 2. Definitions.-- Same as Clayton draft except as follows:

Subsection (c) exempts from the definition of property "grains and food products held by the Department of Agriculture or any of its agencies, the War Food Administration or the Commodity Credit Corporation."

Subsection (f) includes within the meaning of surplus property "all unmanufactured wool and unmanufactured cotton held by any Government agency, including the Department of Agriculture or any of its agencies, the Commodity Credit Corporation, or the Reconstruction Finance Corporation or any subsidiary thereof."

Adds the following new definitions: (1) "durable property" which means all property, except real estate, not subject to rapid deterioration, including unmanufactured wool and unmanufactured cotton; (2) "perishable property" which means every kind of property subject to rapid deterioration; (3) "common supplies" which means small tools and hardware and non-assembled articles which may be used in the manufacture of more than one type of product; (4) "termination of present war" which means the cessation of present hostilities as declared by the President or concurrent resolution of Congress.

Sec. 3. Surplus Property Administrator.-- Subsection (a) is same as subsection (a) of the Clayton draft except that it establishes the Surplus Property Administration in the Office of War Mobilization and Adjustment; provides for appointment by the President, by and with the consent of the Senate, of a Deputy Surplus Property Administrator at \$7,500 per annum to serve 2 years; contains immaterial changes in language.

Subsection (b) omits the provision in the Clayton draft that the Administrator may employ and fix compensation of necessary personnel without regard to the Civil Service laws and Classification Act.

Subsection (c) differs from the Clayton draft in that it provides that the Administrator shall be subject to the general supervision of the Director of War Mobilization and Adjustment, and limits the control and direction of the Administrator over transfers between agencies to transfers between military agencies and transfers to military agencies from other Government agencies.

Sec. 4. Surplus Property Board.-- Same as Clayton draft except for immaterial variations in language.

Sec. 5. Reports to Congress.-- Same as subsection (b) of Clayton draft regarding reports to Congress, but there are eliminated subsection (a) relative to obligation of Congressional committees to maintain surveillance, and subsection (c) requiring submission of Administrator's regulations to Congress

(Sec. 6, Planning, of Clayton draft, omitted from this bill.)

(Sec. 8, Disposition by Owning Agency, of Clayton draft omitted from this bill.)



(Sec. 9, Disposal Agency, of Clayton draft omitted from this bill. ; therefore, references in the Clayton draft to "disposal agency" have necessarily been altered in this bill to read "Administrator" in line with the pattern of this bill to vest power directly in the Administrator.)

Sec. 6. Declaration of Surplus Property.- Same as section 7 of Clayton draft.

Sec. 7. Transfer to Military Agencies.- This section is somewhat similar to section 10 "Transfer between Agencies" of the Clayton draft but limits the transfer authority to transfers between military agencies and the acquisition of property by military agencies from other Government agencies. (See sec.3(c

Sec. 8. Transfer Outside Continental United States.- This section, which is not in the Clayton draft:

- (a) Authorizes the Foreign Economic Administration, and other Governmental agencies authorized pursuant to act of Congress, to dispose of perishable or durable property abroad, and provides that the American Red Cross shall have the right to acquire any such property in the United States for sale or transfer abroad in such quantities as the Administrator and the agencies mentioned in this subsection shall agree upon;
- (b) Provides that surplus property sold for export or transfer abroad may not be imported into the United States.

Sec. 9. Disposition of Common Supplies.- This section, which is not contained in the Clayton draft, provides authority for the Administrator, during the present war and 6 months thereafter, to sell common supplies through regular trade channels at not less than 75% of replacement cost.

(Sec. 10, Transfer between Agencies, of the Clayton draft omitted from this bill. See section 7 of this bill.)

(Sec. 11, Methods of Disposition, of the Clayton draft omitted from this bill. See sections 10 and 11 of this bill.)

Sec. 10. Disposition of Surplus Perishable Property.- Surplus perishable property for which there are no commitments shall be made available to the armed forces or if not needed for such purpose, turned over to and used by the American Red Cross and similar public relief agencies, or otherwise disposed of by the Administrator.

Sec. 11. Limitations on Disposition of Surplus Durable Property.- Provides that except as otherwise provided in this bill or hereafter provided by law, the following principles shall govern in the disposition of surplus property:

- (a) Durable property shall not be disposed of until the expiration of 5 years after the termination of the present war except that until 6 months after the termination of the war (1) aircraft suitable for personal use may be disposed of by the Administrator; and (2) aircraft suitable for transport use may be leased to citizens and corporations of the United States for periods expiring not later than 12 months after termination of the war;
- (b) No aircraft useful only for military purposes shall be disposed of except as specifically authorized by Congress;
- (c) No vessels shall be disposed of except as specifically authorized by Congress;
- (d) Property suitable for and to be used in vocational training may be transferred by the Administrator to tax-supported institutions;

(e) Durable property, not classed as obsolete or scrap, shall not be destroyed or changed from its existing form so as to make it unavailable for useful purposes, but durable property so classed as obsolete or scrap shall be placed in a permanent stock pile for purposes of national defense to be disposed of as Congress may provide;

(f) No part of any termination inventory, retained by a contractor under the Contract Termination Act of 1944, may be sold by such contractor; all termination inventory not retained and used by the contractor is subject to the provisions of this bill.

Sec. 12. Disposition of Plants.- Same as section 13 of the Clayton draft except that it contains additional provision requiring the Administrator to insure that the disposition of plants will be made in a manner which will minimize the effect thereof on pre-war industry.

Sec. 13. Synthetic Rubber and Aluminum Plants.- Same as section 14 of the Clayton draft except that subsection (d) of the Clayton draft is omitted.

Sec. 14. Steel Plants.- This section, which is not in the Clayton draft, provides that no Government agency shall dispose of any integrated steel plant without specific Congressional approval.

(Sec. 15, Options, of the Clayton draft is omitted from this bill.)

Sec. 15. Government Manufacture.- This section, which is not in the Clayton draft, provides that no Government agency shall, in competition with private industry, manufacture or produce any article for civilian use, or manufacture or produce any article for military use in facilities acquired by Defense Plant Corporation.

Sec. 16. Policies Governing Disposition.- Same as section 12 of the Clayton draft except that it omits subsections (a), (b), (c), (d), and (g) of the Clayton draft and adds a new subsection as follows: "to prevent sales to speculators or for speculation purposes."

Sec. 17. Regulations.- Same as section 16 of the Clayton draft.

Sec. 18. General Provisions.- Subsection (a) is the same as section 17(a) of the Clayton draft except that it omits the provision with respect to inventory and reports by owning agency of property other than surplus. Subsection (b) is substantially the same as section 17(b) of the Clayton draft. Subsection (c) is the same as section 17(c) of the Clayton draft except that it omits the provision that no officer or employee of the Government shall be accountable for the collection of any purchase price which is determined to be uncollectable by the agency responsible therefor. Subsection (d) is the same as section 17(d) of the Clayton draft except for immaterial variations in language. This section omits subsection (e) of section 17 of the Clayton draft with respect to maintenance of records by disposal agencies and subsection (f) with respect to impairment of otherwise valid contracts.

Sec. 19. Disposition of Proceeds.- In lieu of the provisions of section 18 of the Clayton draft this section provides that all proceeds from any transfer or disposition of property shall be deposited in the Treasury as



miscellaneous receipts, except that the Administrator (1) shall deposit in a special account such proceeds as he deems necessary to permit refund when any disposition is rescinded or does not become final; and (2) may withdraw from such special account amounts to cover such refunds.

Sec. 20. Authorization and Use of Appropriated Funds.- Same as section 19 of the Clayton draft except for the addition of the words "Authorization and" in section title, and immaterial variations in language.

(Sec. 20, Delegation of Authority, of the Clayton draft is omitted from this bill.)

(Sec. 21, Penalties, of the Clayton draft is omitted from this bill.)

Sec. 21. Effect on E.O. 9425.- Same as section 22 of the Clayton draft.

Sec. 22. Applicability.- Same as section 23 of the Clayton draft.

Sec. 23. Effect on Other Laws.- Subsection (a) is the same as section 24(a) of the Clayton draft except that it omits the first sentence and adds the words "not inconsistent herewith" following the provision that the bill shall not impair or affect disposition under any other law. Subsection (b) is the same as section 24(b) of the Clayton draft except that the act of October 2, 1942 (56 Stat. 765), is cited in this bill as the Stabilization Act of 1942.

(Sec. 25, Effective Date; Expiration, of the Clayton draft is omitted from this bill.)

Sec. 24. Separability of Provisions.- Same as section 26 of the Clayton draft except that it adds at the end thereof the clause "until declared invalid all provisions shall be given effect to carry out the purposes of this Act."

Sec. 25. Short Title.- Same as section 27 of the Clayton bill.

ANALYSIS OF S. 2065, ESTABLISHING  
A SURPLUS WAR PROPERTY ADMINISTRATION,  
AS REPORTED BY SENATE COMMITTEE ON  
MILITARY AFFAIRS AUGUST 22, 1944

Sec. 1. Objectives.— (a) As to all classes of surplus, to assure its use for war purposes, to give aid to reestablishment of free peacetime enterprise, to strengthen the competitive position of small business, to foster family type farming, to strengthen existing cooperative organizations and encourage their extension, to aid veterans in small business and agriculture, to discourage speculation, and to further educational and health programs of State and local governments and non-profit institutions, to develop advantageous foreign markets.

(b) As to consumer goods, to achieve full utilization of such goods consistent with market controls, and to utilize all possible normal channels of trade and commerce.

(c) As to plants and production equipment, to promote maximum production and use of all labor and other resources, to facilitate transition to peacetime economy, and to foster new independent enterprise.

(d) To obtain the highest rate for the Government consistent with the objectives.

Sec. 2. Surplus Property Board.— (a) A Surplus Property Board is created in the Office of War Mobilization. It has eight members appointed by the President and approved by the Senate at \$10,000 per annum for a term of two years. The President is to select members with regard to the geographic and economic interests of the Nation. The Board elects its chairman and determines all policies of the Act. Tie votes are settled by the Director of War Mobilization.

(b) Two members of the Senate and two members of the House are to be appointed by their respective presiding officers to maintain liaison with the Board.

(c) The Board is to have a non-civil service Administrator at \$10,000 per annum and the Board also incurs necessary personnel and administrative expenses in accordance with existing law.

(d) The Board is to advise and consult with the Surplus Property Advisory Council. The Council consists of the Chairman of the Board as Chairman, all Cabinet officers except the Secretary of Agriculture and the Postmaster General and the heads of Small War Plants Corporation, Maritime, WPB, Budget Bureau, WPA, Veterans' Administration, NHA, FWA, CAB, Federal Security, Federal Trade, FEA or their alternates.

Sec. 3. Duties and Authorities of the Board. The Board is to coordinate its programs with the war effort as a paramount concern until peace. Under the general direction of the Director of War Mobilization the Board (a) supervises and directs the handling of surplus property (b) supervises and directs intra-Government transfer (c) creates the fewest number of disposal agencies possible, Maritime being the sole disposal agency of merchant type vessels, (d) provides



for uniform and wide public notice of sales, (e) makes plans for care and handling and disposition of surplus, for converting plants to civilian use, for disposition of those plants not convertible, for disposition of transportation property so as to promote national transportation, for removal of existing discriminations affecting disposal, (f) to assist veterans in establishing and maintaining their own small business of agricultural enterprises through preferences. (The Board, cooperating with the Veterans' Administration is to submit a plan for this purpose to Congress six months after the enactment of the Act), (g) to cooperate with the War Food Administrator (1) in arranging for sale of property in rural localities to give farmers and farmers' cooperatives equal opportunity, and (2) to make available short supplies of trucks, machinery and equipment to farmers.

Sec. 4.-Disposal Power. Authorizes disposal of all surplus by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property or otherwise.

Sec. 5.- Delegation of Authority. Administrative authority of the Board may be delegated to the head of any Government agency, who may delegate or redelegate such authority to any employee, or with Board approval, to another agency. Agencies may cooperate and exercise joint authority. Regulations shall be issued by the Board, and agencies may issue regulations not inconsistent therewith. Regulations shall be published in Federal Register.

Sec. 6.- Export Sales. Surplus sold for export or disposed of abroad, shall not be imported or re-imported into the United States.

Sec. 7. - Reports and Planning. (a) The Board shall submit progress reports quarterly showing status of surplus property disposition, consideration received for property disposed of, and recommendations for legislation.

(b) The Board and disposal agencies shall submit to Congress six months after enactment, a report respecting plants and facilities for aluminum, magnesium, synthetic rubber, chemicals, aviation gasoline, iron and steel, aircraft plants and facilities, oil pipe lines, patents, techniques and inventions, shipyards, transportation facilities, and radio and electrical equipment. Such reports shall describe the property as to amount, cost and location, economic problems attendant upon disposition of property, plans for care, handling, disposition, and use of such property, and action already taken with respect thereto.

(c) The Board may dispose of aircraft plants and facilities, and shipyards, transportation facilities, and radio and electrical equipment without reporting to Congress. Other property may not be disposed of until 30 days after report is made to Congress.

(d) Reports shall be considered by Congress through appropriate committees.

Sec. 8.- Advisory Committees. Disposal agencies may organize advisory committees, subject to the disapproval of the Attorney General if restraint or monopoly is involved. These committees shall be composed of representatives of large and small industry, cooperatives, labor, farmers, consumers and other groups.

Sec. 9.- Declaration of surplus property. (a) ~~Owning~~ agencies are required to determine when property is surplus and to report to the Board and appropriate disposal agencies. The War and Navy Departments will determine what property is needed for the defense of the United States and they shall not declare surplus any such needed items.

(b) The Board shall report to the Senate and House of Representatives wherever it believes that any owning agency has failed to make a declaration of surplus which should be made. Government agencies shall submit such reports to the Board as it requires.

(c) When any disposal agency receives property it will care for and handle such property under the Board's direction except that these duties may be postponed by the Board if the disposal agency is not ready.

(d) Documents transferring title may be executed.

Sec. 10. - Agency Inventories. Each disposal agency will maintain for public inspection full surplus inventories.

Sec. 11. - Utilization of Surplus Property By Federal Agencies. (a) All Government agencies shall cooperate with the Board in satisfying all their possible requirements from surplus stocks, and the Board is to notify Government agencies which are not cooperating.

(b) The Board is to give Government agencies, insofar as practicable, surplus needed by them, with preference to War, Navy, and Maritime, as to war and defense-needed property. Proper charges are to be made to appropriations as the Budget Bureau determines to be legal.

Sec. 12.- Disposals to local Governments. The Board prescribes regulations for disposal to States and political subdivisions thereof, tax-supported and non-profit institutions, through

(a) Transfers of educational property to the Federal Security Agency for donation to State and local agencies and other non-profit educational institutions.

(b) Transfer to Federal Security Agency of surplus medical supplies and equipment for donation to State and local units and non-profit hospitals and the Red Cross.

(c) Sale or lease to any of the foregoing entities at half of market price, or half of offered price whichever is lower. Surplus property not worth costs of handling may be donated to the foregoing entities.

(d) Disposal of property under this section shall be conditioned on proper use for two years, otherwise it reverts to the Government.

Sec. 13.- Disposition by Owning Agency.

(a) Owning agency, under Board regulations as to price, may dispose of any property for War or defense purposes.

(b) Subject to Board control and Sec. 21, owning agencies may dispose of property not repairable, waste, salvage, scrap, or similar items so long as not strategic as defined in Section 21, products of industrial research, agricultural, live-stock or public works operation of the agency, or any similar property designated by the Board.

(c) The Board may review and reverse any action under subsection (b).



Sec. 14. Small Business. (a) Disposal agencies, subject to Board directives, and to prevent discrimination against small business shall (1) advertise, as far as practicable, information regarding property for sale; (2) offer smallest practicable units conforming with market policy in the agency concerned, and (3) arrange for sales on credit or other conditions so as to afford small business enterprises opportunity for acquisition of properties. (b) Smaller War Plants Corporation shall recommend as to small business requirements, acquire and disseminate information among small business enterprises, make appropriate recommendations to Congress, purchase any surplus property for resale or other disposition to small business and receive other property in exchange, and make or guarantee loans for acquisition, conversion, operation of plants and facilities, and arrange for sales on credit or time bases.

Sec. 15. Disposal of Surplus Agricultural Commodities. (a) Notwithstanding other parts of this Act or law or order, the War Food Administrator shall formulate policies and programs respecting the disposal of surplus agricultural commodities, and he shall plan for orderly disposal, subject to provisions of existing law. (b) The War Food Administrator must approve in writing, before the Board may exercise any of its powers under this Act, or any other act, with relation to disposal of surplus cotton or woollen goods.

Sec. 16. Anti-Trust Laws. The Attorney General shall advise the Board or disposal agency whenever disposition of a plant originally costing \$1,000,000 or more, or of patents, processes, techniques, or inventions are proposed for sale; as to whether such disposal violates the anti-trust laws. Anti-trust laws shall not be impaired, amended or modified by any condition of this act.

Sec. 17. Disposition of Plants. Contracts for sale or lease for two years or more of a plant shall be conditioned that the plant will be in substantial operation and production for a period of two years. Upon breach of this condition the Government may rescind the contract, return as much of the consideration as equitable, and recover the plant.

Sec. 18. Options. The Attorney General is required to pass upon the validity of options to purchase or otherwise acquire property.

Sec. 19. Plants Acquired by Defense Plant Corporation. Such plants may not be operated by any Government agency to produce commodities for civilian use unless authorized by Congress, but this does not apply to plants not constructed or acquired for war purposes.

Sec. 20. Limitations on Disposition of Airport and Harbor Facilities and Forts. (a) Airport, harbor and terminal facilities shall not be disposed of except after report to Congress. The Civil Aeronautics Administration shall make recommendations as to airport facilities, and the Secretary of Commerce as to harbor, port, and terminal facilities.

(b) Real property representing a part of any permanent military reservation, post, or fort, is excluded from the provisions of this act.

Sec. 21. Stock Piling. Strategic materials and metals shall be transferred by the owning agency to the Treasury Procurement Division stock pile authorized by the Act of June 7, 1939, as amended (53 Stat. 811). Strategic materials shall be determined by the Army and Navy Munitions Board. Reimbursement or transfer of funds shall not be made under this section except that where RFC is the owning agency the Secretary of the Treasury shall cancel notes in an equal amount.



- Sec. 22. Disposal of Surplus Real Property.- (a) - (b) Property is defined in this section to include land, together with fixtures and improvements, outside the District of Columbia, acquired by the Government since December 31, 1939, but not including the public domain, lands reserved from the public domain, war housing, industrial plants, factories, or factory sites. All property as so defined is disposed of only under this section.
- (c) The Secretary of the Interior is to establish and maintain in the General Land Office a central inventory of all lands held or hereafter acquired by the United States. All land documents are to be submitted to the Secretary of the Interior by the custodial government agency for transcription and recording in the General Land Office.
- (d) All Government agencies must survey and report surplus real property acquired after December 31, 1939, to the Secretary of the Interior. Exempted from this requirement are property specifically set aside by Congress for specific purposes, or held by a credit agency in its operations, or being liquidated under Section 43 of the Bankhead-Jones Farm Tenant Act, or held by persons subject to Section 5 (b) of the Trading With the Enemy Act.
- (e) Surplus real property is to be classified jointly by the Secretaries of the Interior and of Agriculture as to its nature. In case of disagreement, the Director of War Mobilization decides.
- (f) Any land so classified as agricultural is to be offered for 90 days to the former owner, or, if dead, his lineal heirs; alternatively, if the land is no longer agricultural, he may be offered similar agricultural land in the area. A similar opportunity is offered tenants of former owners. In case there is more than one applicant, land is to be subdivided in economic units, if possible; otherwise, choice is made by lot. Land under this subsection is to be sold at market or the original price adjusted by improvements or deterioration, whichever is lower.
- (g) Veterans are to have preference for all lands classified as agricultural, residential, or small business for 15 years after former owners are accommodated. The land is apparently to be offered at fair market value, and in case of more than one veteran applicant, choice is made by lot. The veteran is allowed to exercise his preference only once. If the veteran is dead, his preference is exercised by his spouse or his children.
- (h) Agricultural Lands.- Lands classified as suitable for disposition under the homestead and other public land laws are to be disposed of in accordance with, or as near as may be, such laws. Agricultural land, if not classified as homestead, etc. lands, are transferred to the Secretary of Agriculture to be subdivided into family-size units, and, after preferences of former owners, are sold to persons who will cultivate it for a livelihood. The Department may extend Bankhead-Jones Farm Tenant Act credit to eligibles under that act or under the "GI Bill of Rights Act." Any other surplus real property is to be sold by the Secretary of the Interior at fair market value on public or negotiated sale.
- (i) In disposing of homestead and other public land laws, except where honoring preferences, the Secretary of the Interior is to reserve all mineral interests.
- (j) As soon as sold, the land may be taxed to the purchaser.
- (k) The Secretaries of the Interior and Agriculture, within six months after each fiscal year, are to submit a report to Congress and recommendations for further legislative action.
- (l) The Secretaries may write regulations to carry out this section.

(m) The form of deed is to be approved by the Attorney General, who may approve warranty deeds, if he believes the Government interests will permit.

Sec. 23. Civil Remedies and Penalties.— (a) No Government officer is liable beyond his fraud or for uncollectible collections.

(b) Any person presenting a false claim or entry, who conceals or otherwise defrauds the Government in any way, or who conspires to do so, shall pay the Government \$2,000 for each such act and double damages, or, at the Government's election, pay double the consideration which such person had agreed to pay the Government, or, at the Government's election, forfeit the consideration paid and restore the property.

(c) The district courts are given jurisdiction of these cases and power of process on non-residents.

(d) These remedies are in addition to all other criminal and civil provisions of existing law.

Sec. 24. Connection with Private Interests.— Employees and ex-employees may not for two years be employed with or act as agents for any person taking disposal, if such employee has been directly connected with the disposition.

Sec. 25. Statute of Limitations.— This section amends the 1942 act, which suspends the statute of limitations in cases of fraud until three years after the war, so as to add frauds under this act.

Sec. 26. Competitive Bidding. Disposals under this act are without regard to any requirement for competitive bidding, except where the Board deems it advisable.

Sec. 27. Disposition of Proceeds.— (a) Proceeds of disposals go to Miscellaneous receipts, except as provided below.

(b) Where property was acquired under legally reimbursable funds, reimbursement is so made.

(c) Special accounts are set up for refunds.

(d) The Crediting of proceeds to a contractor required by any contract will be honored.

Sec. 28. Appropriations.— (a) Funds available for production or procurement of property may finance handling of it under this act.

(b) Surplus property may be acquired by any fund available for general acquisition.

(c) Authorization for necessary funds to carry out the act.

Sec. 29. Exemptions.— (a) The act does not limit military commanders in active theaters.



(b) The Board may exempt from the Act property located outside continental United States and territories, except from the provisions of section 6.

Sec. 30. Warranty of Title.- Duly issued transfer documents are conclusive evidence of title under this act to a bona fide purchaser.

Sec. 31. Other Laws.- (a) This act leaves in force other disposal laws not inconsistent, herewith except that the Board may control or limit the operation of such other laws.

(b) This act does not affect the Price Control Act, the Stabilization Act, Section 301 of Second War Powers Act, the Lend-Lease Act, the TVA Act, the War Housing Act, export laws or public lands laws.

Sec. 32 Partial Invalidity.- The usual provision for retaining the valid parts of the act if other parts are held invalid.

Sec. 33. Definitions.-

"Government agency" - Any agency in the executive branch and any wholly owned and controlled corporation.

"Owning agency" - One having control of property when declared surplus.

"Disposal agency" - An agency designated to handle disposition of one or more classes of property.

"Property" - Any interest, real or personal, including but not limited to patents, plants, equipment, supplies, etc.

"Surplus property" - Any property declared surplus under section 9.

"Contractor inventory" - Any property allocable to the terminated portion of any Government contract or subcontract.

"Care and Handling" - Includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting.

"Option" - Any contractual right to retain or acquire property.

"Person" - Individuals, corporations, etc.

"State" - The several States, territories, possessions, District of Columbia.

"Tax supported institution" - Scientific, literary, educational, public health, public welfare institutions supported in whole or in part by taxes.

"Veteran" means person entitled to benefits of Soldiers' and Sailors' Civil Relief Act of 1940 who is honorably discharged.

"Disposal" means sale, conditional sale, or lease, for cash, credit, or other property, donation under section 12, or any other transfer.

Sec. 34. Effective Date.- On passage.

Sec. 35. Short Title.- "Surplus Property Act."



# House of Representatives

TUESDAY, AUGUST 22, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who are the great source of life and light, from whom our spirits have come and unto whom they shall return, we pray that while we live and labor for a brief time upon this earth we may be numbered among those who do justly, who love mercy, and who walk humbly with the Lord.

This is a day which Thou has made and we will rejoice and be glad in it. Grant that we may face with courage and hope its many duties and tasks that challenge the consecration of the noblest abilities and capacities with which we have been endowed. Help us to respond with unflinching faith and fortitude to the call of human need and the upward urge of Thy spirit.

Hasten the day when the forces of righteousness shall be victorious and all selfish and sordid ambitions and all those sinister and debasing feelings of hatred, prejudice, bigotry, and intolerance which are continually storming the citadel of man's soul shall be forever banished from the world and become supplanted by love and good will. Hear us in the name of the Prince of Peace. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

## EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the Record and include therein a very interesting article which appeared in last Sunday's Boston Globe of August 20, by James Morgan, entitled "Freedom Can Own the Future."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and include therein a brief statement by the master of the National Grange.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. NORMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an editorial from the Daily Washingtonian, of Hoquiam, Wash.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a summary of the G. I. bill of rights.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a short newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the Record and include therein a short statement from the Detroit Free Press.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an editorial from the San Francisco Examiner entitled "West Coast Manpower."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the Record and include therein some short resolutions adopted at the reunion of the Second Oregon Volunteers of the Spanish-American War and the Philippine Insurrection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and include therein an address prepared for delivery by the Commissioner of Reclamation, Mr. Harry W. Bashore.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on four different subjects; in one to include an address by Thomas E. Lyons, executive secretary of the Foreign-Trade Zones Board.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and include therein an editorial from the Mount Vernon (Ohio) News entitled "Commander in Chief."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

## MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL LABOR CONFERENCE

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and together with the accompanying papers referred to the Committee of the Whole House on the state of the Union, and ordered printed:

To the Congress of the United States:

On May 29, 1944, I had occasion to transmit to the Congress a declaration and two resolutions adopted by the twenty-sixth session of the International Labor Conference which was held in



Philadelphia April 20-May 12, 1944. I then stated that upon receipt of the authentic text of the recommendations adopted by the conference I would transmit these to the Congress as required by the constitution of the international labor organization. These texts having now been received, I transmit them herewith. The recommendations are as follows:

Recommendation (No. 67) concerning income security.

Recommendation (No. 68) concerning income security and medical care for persons discharged from the armed forces and assimilated services and from war employment.

Recommendation (No. 69) concerning medical care.

Recommendation (No. 70) concerning minimum standards of social policy in dependent territories.

Recommendation (No. 71) concerning employment organization in the transition from war to peace.

Recommendation (No. 72) concerning the employment service.

Recommendation (No. 73) concerning the national planning of public works.

Employers and workers as well as governments were represented at the twenty-sixth session of the International Labor Conference which adopted these recommendations by large majorities. As these recommendations were developed with a view to promoting the social security and economic advancement of the peoples of the world, our own included, I believe the Congress will find them valuable in its current consideration of problems of demobilization, reconversion of industry, employment, and social security.

At a later time I may have occasion to direct further attention to specific provisions of these recommendations and to suggest what action by the Congress on these recommendations may be advisable.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, August 22, 1944.

[Enclosure: Authentic copy of the recommendations adopted by the International Labor Conference at its twenty-sixth session.]

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5125, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. We are now considering section 12 on page 34, and that section is open to amendment.

Mr. HALE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HALE: On page 34, line 16, strike out the words "disposition

of plants", and insert the words "applicability of antitrust laws."

Mr. HALE. Mr. Chairman, this is purely a corrective amendment. In the mechanical process of getting this bill printed and placed before the House, the caption "Disposition of plants," which properly precedes section 13 of the bill, was transposed to section 12. My amendment simply attributes to section 12 what seems to be the proper caption. If this amendment is adopted I shall ask unanimous consent that the caption "Disposition of plants" go forward to section 13.

Mr. MANASCO. Will the gentleman yield?

Mr. HALE. I yield.

Mr. MANASCO. That amendment is satisfactory to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The CHAIRMAN. Without objection, the unanimous-consent request to place the caption "Disposition of plants" before section 13, will be granted.

There was no objection.

The Clerk read as follows:

SEC. 13. (a) No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which cost the Government \$5,000,000 or more, except in accordance with this section or pursuant to an option therefor.

(b) The Administrator may authorize any disposal agency to lease any such surplus plant for a term of not more than 5 years.

(c) The Administrator shall prepare and submit to Congress a report as to each class of such property—

(1) describing the number, cost, and location of such surplus plants and setting forth other descriptive information relative to the use and potential use thereof;

(2) outlining the economic problems that may be created by the disposition thereof;

(3) setting forth a plan or program for the care and handling, disposition, and use thereof consistent with the policies and objectives of this act; and

(4) describing any steps already taken with respect to the care and handling, disposition, and use of the property, including any contracts relating thereto.

The Administrator shall request Government agencies to submit information and suggestions for use in the preparation of such reports and shall encourage States, political subdivisions thereof, and private persons to submit such information and suggestions, and he shall submit to the Congress, together with each such report, copies or summaries of such information and suggestions. After 6 months from the submission of a report hereunder, unless the Congress provides otherwise by law, the Administrator may authorize the appropriate disposal agencies to dispose of such property in accordance with the plan or program proposed in the report to Congress.

(d) The Administrator may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by subsection (a) of this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment on behalf of the committee, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON:

Page 36, after line 15, insert the following subsection:

"(d) No Government agency shall dispose of any surplus Government-owned plant of any character, which cost the Government \$1,000,000 or more, without the approval of a majority of the members of the Surplus Property Advisory Board created under section 4 (a) of this act, or of a majority of a quorum of such Board (which quorum shall not be less than a majority of the Board) at a meeting duly called for the purpose."

Page 36, line 16, strike out "(d)" and insert "(e)."

Page 36, line 18, after "(a)" insert "or (d)."

Page 36, line 21, strike out "(e)" and insert "(f)."

Mr. WHITTINGTON. Mr. Chairman, the section under consideration involves the disposition of war plants. The estimated cost of those plants is around \$15,000,000,000. This was one of the most perplexing parts of the bill, and the committee gave much consideration to the disposal of these plants. Some of the plants cost \$50,000,000; some \$100,000,000.

The theory of this bill is that without in any way interfering with our domestic economy to promote wide distribution, to provide for employment, we should convert, as soon as practicable, our country from a wartime to a peacetime basis. Under section 13, for the reasons assigned in the general debate, no Government-owned plant for the production of synthetic rubber or aluminum which cost \$5,000,000 or more was to be disposed of except as provided in this section. This section provides for reports to Congress and prevents the disposition of these two classes of plants unless the Congress takes action within 6 months.

The amendment I have proposed on behalf of the committee would insert a new subsection, and with the consent of the committee I will read the amendment:

No Government agency shall dispose of any surplus Government-owned plant of any character, which cost the Government \$1,000,000 or more, without the approval of a majority of the members of the Surplus Property Advisory Board created under section 4 (a) of this act, or of a majority of a quorum of such Board, which quorum shall not be less than a majority of the Board, at a meeting duly called for the purpose.

Section 4 of this act establishes a Surplus Property Advisory Board. Its functions were to advise and consult. It was suggested that they ought to have more power. This Board is composed of the Chairman, the Administrator, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Chairman of the Board of Directors of the Smaller War Plants Corporation, the Chairman of the Maritime Commission, the Chairman of the War Production Board, the Administrator of the War Food Administration, the Administrator of the Federal Works Agency, the Chairman of the



Civil Aeronautics Authority, the Chairman of the Civil Aeronautics Administration, and the Administrator of Foreign Economic Administration.

This bill confers upon the Administrator vast powers. The gentleman from Maine [Mr. HALE], a member of the committee, was among those members of the committee who desired to safeguard the vast authority conferred upon the Administrator, and the committee shared that view. These plants were established by one Government agency. They were established under the direction of the Reconstruction Finance Corporation. It is necessary to provide for disposal of these plants. This amendment provides that before any plant, after it has been considered by all the advisory committees that may be invoked by the Administrator—including the mandatory committees provided in the so-called Patman amendment—before he can dispose of it, it must be approved by affirmative action of a majority of a quorum of the board representing all of the agencies of the Government, substantially.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. As stated, on plants costing \$5,000,000 or more, involving synthetic rubber, as is well known, there will be international questions involved; questions arising in the peace. There has been wide publicity and criticism with respect to aluminum and the Aluminum Trust. It was thought that Congress should be given 6 months in which to decide whether or not they would dispose of these properties as recommended by the Administrator.

We emphasized that there must be power for the disposal of these plants if our economy is to be converted from a war economy to a peacetime economy.

I want to give an illustration that I think ought to be convincing, if not all-conclusive. During the First World War we established Muscle Shoals to provide for the generation of nitrogen.

I remind the Congress, I remind the House, that it was more than 15 long years before that property was ever finally disposed of by the Congress of the United States, and when it was disposed of it resulted in the establishment of the Tennessee Valley Authority in which our Government has invested several hundreds of millions of dollars. There must be a power of disposal and it was the view of those of us who have suggested this amendment that, inasmuch as the Administrator is to dispose of any assets of these plants, it would be fair for that Administrator not only to have the benefit of the advice of the board of directors of the plant itself but to have the advice and the consent of the various heads of the departments of the Government, including the War Production Board, the Secretary of War, and the Secretary of the Navy. So this amend-

ment provides that before any plant costing a million dollars or more can be disposed of it must have the affirmative approval of the board. This confers on that board the power not merely to advise but a power that means a great deal.

Mr. STEFAN. Mr. Chairman, will the gentleman yield right there?

Mr. WHITTINGTON. In just a moment. I promised to yield to the gentleman from Texas first.

Mr. STEFAN. The gentleman's statement is confusing at that point.

Mr. WHITTINGTON. It safeguards and hedges the disposal of these plants the very best way that the committee was able to devise, because the committee is of the view that if the Congress of the United States which provided in a few words, in a brief act, for the establishment of these plants by the Defense Plants Corporation, undertakes as a Congress to provide for the disposal of each one of these plants costing more than a million dollars there will not only be delay but the very purpose of this bill will be defeated.

Mr. Chairman, I now yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I wish to ask the gentleman two or three questions to find out how far this goes. It seems to me to be a step in the right direction. Does it include all plants and facilities such as oil pipe lines, gas pipe lines, oil plants, electronic, and chemical plants?

Mr. WHITTINGTON. It applies to all war plants of every kind and description.

Mr. PATMAN. Is it an amendment to section 13 (a)?

Mr. WHITTINGTON. Yes; it is an amendment to the pending section 13.

Mr. PATMAN. Does it eliminate the subsequent provisions which will require the Administrator to make a report to Congress?

Mr. WHITTINGTON. It does not; and those specific provisions apply only to the two exceptions here which are synthetic rubber and aluminum plants costing \$5,000,000 or more. Those provisions remain in the bill and reports which are required to be submitted to Congress.

Mr. PATMAN. Why not make them apply to all plants such as steel, chemical, electronic, radar, all of them?

Mr. WHITTINGTON. I undertook to anticipate the gentleman's question, and I stated as best I could that in the view of the committee if we required a report to Congress on all of the plants costing a million dollars or more there would be delay in the disposition of these plants that would really defeat the purpose of undertaking to dispose of surplus war plants. They aggregate \$15,000,000,000; they cover plants of every description, and it was the view of the committee that in plants costing over a million dollars the requirement that to get the Attorney General and the Secretary of the Interior, just to use two members as a part of this advisory board to consent, that to get the Secretary of War, the Secretary of the Navy to consent was ample; we were unable to devise any better safeguard. The Secretary of the Department of War and the Secretary of the Department of the Navy would know

more about these plants than we could probably learn from a report of them. There are a thousand of these plants, as I understand. It was the view of the committee that to provide for a separate consideration by the Congress for the disposal of a thousand plants—now I do not mean to assert that all of those cost over a million dollars—but there are many of these surplus plants—would defeat the very purpose of this bill. If we could entrust to the Reconstruction Finance Corporation the investment of this \$15,000,000,000, or to that corporation and the Department of War and the Department of the Navy the construction of these plants where they are established by those two departments, surely we could safeguard the disposal of those plants by having the views not only of those agencies but of a majority of other agencies.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a further question?

Mr. WHITTINGTON. I yield.

Mr. PATMAN. Suppose efforts should be made to dispose of a steel plant that cost more than a million dollars, or \$5,000,000; just exactly how could the Administrator do that? Would he be required to get the approval of a majority of that board if he could do it?

Mr. WHITTINGTON. He would if it cost over \$1,000,000.

Mr. PATMAN. A steel plant, a radar plant, a chemical plant, any kind of plant including pipe lines and so forth?

Mr. WHITTINGTON. Yes.

Mr. PATMAN. He would have to have a majority agreement. What was meant by the word "minority" when it was used in the amendment?

Mr. WHITTINGTON. I did not use the word "minority"; that was a mistake, that was a misreading of the clerk. There is no such word as "minority" in the amendment.

Mr. PATMAN. There must be the approval of a majority before he can dispose of any plant or facility.

Mr. WHITTINGTON. Exactly so, sir.

I now yield gladly to the gentleman from Nebraska.

Mr. STEFAN. Did I understand the gentleman to say that his amendment did amend section 13 (a)?

Mr. WHITTINGTON. No; it does not amend section 13 (a). It would amend section 13 and was inserted as a new section (d). It does not change the language of section 13 (a).

Mr. STEFAN. It does not change the language of (a) of section 13.

Mr. WHITTINGTON. It does not.

Mr. STEFAN. Then I believe the gentleman defeats exactly what he is trying to arrive at. I have an amendment at the Clerk's desk to strike out the figure \$5,000,000 from section 13 (a), elimi-



nate that entirely, but I will be glad to amend it to make it \$1,000,000.

Mr. WHITTINGTON. I can answer the gentleman's point; I understand that the purpose the gentleman has in mind is to strengthen and reinforce the amendment.

There is no amendment of section 13 (a); so before any synthetic rubber or alcohol plant costing \$5,000,000 or more could be disposed of it would have to be in accordance with section 13 (a). We further provide that no synthetic-rubber plants and no aluminum plants or any other Government plants costing over \$1,000,000 shall be disposed of unless the provisions of this amendment are complied with which would require the affirmative approval of a majority of the board.

Mr. STEFAN. Yes; but why not eliminate the \$5,000,000? Leaving that in the bill is playing right into the hands of the big international cartel which wants to destroy our synthetic-rubber industry and aluminum plants. I say we should strike out that \$5,000,000 and equalize it with the \$1,000,000 mentioned in the gentleman's amendment. Otherwise it means the destruction of the plants mentioned in section 13 (a).

Mr. WHITTINGTON. With all deference, the gentleman, if he will pardon me, is mistaken. As I stated, the amendment we offer here does not in any way interfere with the \$5,000,000 aluminum and synthetic-rubber plants.

Mr. STEFAN. Then that means the disposal of any of those plants costing under \$5,000,000.

Mr. WHITTINGTON. Those plants are protected with the language that is in the bill now; that provision remains in the bill. Then, in addition to the requirement that the \$5,000,000 plants be reviewed by Congress it further provides that before there can be any disposition of them or any plants costing \$1,000,000 or more it must be by the approval of a majority of the board. So that under section 13 (a) before this recommendation that a synthetic plant costing \$5,000,000 or more be sold is submitted by the Administrator to Congress under the language as it now appears in the bill, it would have to have his approval and his recommendation and the approval of a majority of the board.

Mr. STEFAN. All right. Why not change the 5,000,000 to 1,000,000?

Mr. WHITTINGTON. The gentleman may do that later on, but it would interfere with my amendment at this time.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. VOORHIS of California. Am I correct that the gentleman's amendment leaves all language that now appears in section 13 as it is and adds additional language?

Mr. WHITTINGTON. It does. It is additional language. This amendment inserts, to answer the gentleman's question, a new subsection, as (d). Then on page 36, it changes subsection (d) to (e) accordingly.

Mr. VOORHIS of California. In other words, all the language that we now

read in section 13 remains in the bill?

Mr. WHITTINGTON. Exactly so.

Mr. VOORHIS of California. In addition to which under the gentleman's amendment there is this additional requirement which would be of universal applicability as to any kind of a plant that cost more than \$1,000,000, is that correct?

Mr. WHITTINGTON. Absolutely.

Mr. WALTER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman's amendment applies to property in the hands of the owning agency or in the hands of the Administrator after it has been declared to be surplus.

Mr. WHITTINGTON. It only applies to surplus Government-owned property and to no other. If it is a war installation, if it is held by the Army, Navy, or Defense Plants Corporation it is only after those plants are declared to be surplus.

Mr. FOLGER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from North Carolina.

Mr. FOLGER. There are words "or pursuant to an option." Will the gentleman tell us why that is put in there? That exempts them from the operation of this section, as I understand it.

Mr. WHITTINGTON. According to the hearings many of these plants were constructed by corporations that are in that business and those corporations have been operating the plants. There were options in connection with a number of the plants that would enable the operating company to acquire these plants. The gentleman's question is very pertinent. I have in mind only one case thus far, and this should be of general interest to all Members of the House, where an option has been exercised, the only case of importance, by the Bethlehem Steel Co. That plant cost \$30,000,000 in round figures, and they exercised their option to acquire that plant at what it cost the Government. That option was written into the operating contract and it would be binding, and properly so. I may say furthermore that according to the best information the committee has been able to obtain there is not a great deal of property in connection with which many more options will be exercised.

The CHAIRMAN. The time of the gentleman has expired.

SOME PLANTS SHOULD BE PUT IN GREASE FOR YEARS

Mr. PATMAN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I am impressed that this is a good amendment. Personally, I would rather have a board pass on this question than to have a report to the Congress. Obviously, the Congress cannot do very much in the 6 months' time allowed. It occurs to me that much care and caution should be used in the disposal of these plants. In my opinion, many of them should be put in grease for 5 or 10 years or even longer as insurance against the possibility of another emergency such as we experienced on Decem-

ber 7, 1941. These plants should not be quickly disposed of. They should be very carefully disposed of. There should be no hurry about it.

It occurs to me also that in section 13 (a) this could be enlarged upon to include radar equipment, electronics, steel, chemicals, and other plant facilities, including oil and gas pipe lines; but as long as the board has the power to pass upon this question and the board would certainly give it careful consideration, the public, in my judgment, will be properly protected by the method outlined in the gentleman's amendment. Therefore, I am inclined to give the amendment my wholehearted support in preference to an amendment which I had prepared to amend section 13 (a).

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say that the purpose of including the language "any surplus Government-owned plant" was to provide for what the gentleman has stated. We have had applications by chemical plants and by sulfur plants, and this is all-inclusive. It covers all plants, pipe lines, and other plants.

Mr. PATMAN. It includes every war plant or war facility, including oil lines and gas lines and everything else that cost a million dollars or more?

Mr. WHITTINGTON. Exactly so. We have the two safeguards here.

Mr. PATMAN. Some of us were confused by the Clerk reading something concerning the power of the minority of that board.

Mr. WHITTINGTON. That was a mistake.

Mr. PATMAN. It will require the concurrence of a majority of the members of that board before any plant costing a million dollars or more can be disposed of, and I refer to any war plant or facility?

Mr. WHITTINGTON. Yes; and we safeguard it further. In some of our committees we may have less than a majority as a quorum, but we have fixed it that they have to have a majority of that board for the transaction of business.

Mr. PATMAN. I am glad to support the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I hope the amendment will be agreed to because it seems to me it is of a wholesome character. I was troubled at first by the fact that in section 13 we had no more drastic supervision over the disposal of plants which represented a very large investment by the Government. I was also one of those who felt that it was regrettable that there was no board under which the Administrator would function. It seemed to me, as the original bill came before the House, that the Surplus Property Advisory Board, as provided for in section 4, was really not a great deal more than window dressing. But with the amendment offered by the gentleman from Mississippi, the Surplus Property Advisory Board acquires real



and important functions which will safeguard in a substantial way the interests of the public. I think the pending amendment goes far to remove some of the most serious objections which many of us felt were in the bill as it originally came before the House.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HALE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I think it is fair to say that the gentleman is too modest in the statement he has just made. He was alone at first in stating that we ought, in every way we could, safeguard the disposal of these plants, and I know of no member of the committee who is more responsible for the amendment that is now pending than the gentleman from Maine.

Mr. HALE. I thank the gentleman.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not opposed to the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] except that I want to change the "\$5,000,000" in section 13 (a) to "\$1,000,000" in order to help the gentleman's amendment. I have such an amendment on the Clerk's desk at this time which would make that change.

I agree that the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] improves this bill. It gives some hope to those of you who have petroleum plants, shale plants, and alcohol plants in your districts. Unless you so amend section 13 (a) and change the figure \$5,000,000 to \$1,000,000, I am afraid you are going to play right into the hands of those who may be endeavoring to get us to scrap our synthetic-rubber plants.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VOORHIS of California. May I say that I agree heartily with what the gentleman is saying, but does not the gentleman agree with me that the Whittington amendment would make the \$1,000,000 figure applicable on synthetic-rubber plants as well as others?

Mr. STEFAN. I do not believe so, unless you change that figure of \$5,000,000. The gentleman in one word says that he has fixed it now so that in reference to a plant costing a million dollars or more they will have to come to Congress before they can scrap it. Then the gentleman says, "Here is a plant costing \$5,000,000 or more," and he specifies synthetic rubber.

Mr. VOORHIS of California. I am as interested in this subject as the gentleman is, and I want to get it cleared up. As I understand, the bill, if the Whittington amendment is adopted, will say this: It will say that as to synthetic rubber and aluminum plants costing \$5,000,000, the Administrator must make a report to the Congress, and the Congress must approve of what he proposes to do, but that as to all plants—

Mr. STEFAN. Is the gentleman trying to make a speech for me?

Mr. VOORHIS of California. No; I am not. I am trying to get this straightened out.

Mr. STEFAN. I will agree with the gentleman to this extent that perhaps there is some language in there that would indicate that, but why not put it in plain English language so that the people can understand it? Why put a figure of \$1,000,000 in one section and \$5,000,000 in another?

Mr. VOORHIS of California. To finish the statement I started a moment ago, I understand the Whittington amendment to mean that as to all plants which cost \$1,000,000 or more, including synthetic rubber plants and aluminum plants, that nothing shall be done without the approval of the Board. Am I correct?

Mr. WHITTINGTON. I so stated repeatedly.

Mr. STEFAN. The gentleman has so stated, but in section 13 (a) it says:

No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber, or aluminum, which cost the Government \$5,000,000 or more.

It is somewhat confusing. Why not change it to \$1,000,000?

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 4 minutes to be available to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair will recognize the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, had the amendment offered by the gentleman from California [Mr. Poulson] to section 4 been adopted, then, of course, this amendment would be a real safeguard, as the gentleman from Mississippi has described it. Had an advisory board been created, such as the gentleman from California had proposed, of course this amendment would have been very desirable. I ask the members of the Committee to read section 4 and then you can readily appreciate that this is more or less window dressing. It does no harm. It does no particular good. What is the difference whether the amount involved is \$5,000,000 or \$5,000? It is just as important that a transaction involving \$5,000 be safeguarded as a transaction involving \$5,000,000.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. MASON. Is the gentleman thinking now of the particular persons who are holding these offices, and saying that because those particular persons are now holding these various offices, as heads of the various departments of the Government, it does not mean anything, but if these offices are changed, and other persons will then hold them, then it might mean something? Is that what the gentleman is trying to tell us?

Mr. BENDER. Frankly, the gentleman answers his own question.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. CHURCH. The gentleman will admit that if the amendment is adopted the bill will be at least a wee bit better, and that therefore he is in favor of the amendment.

Mr. BENDER. The safeguards that should have been adopted were not adopted earlier in the consideration of this bill. Whatever additional pious language we can insert in this bill, such as is contained in the amendment offered by the gentleman from Mississippi, does no harm, but in my opinion does no particular good.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the pro forma amendment to ask the committee this question. Take, for instance, a powder plant, where considerably more than a million dollars has been invested in permanent facilities; would it be possible, if it be declared surplus, to lease it in whole or in part to private concerns for the manufacture of civilian goods, subject to recapture by the Government in any emergency?

Mr. WHITTINGTON. May I answer the gentleman by saying that that is provided for in section 10 (a) where we say "by sale, exchange, lease, transfer, or other disposition, for cash, credit, other property." That was the occasion, if I may say, for the broad language of section 10 (a).

Mr. HOBBS. It seemed to me that that was the purpose, and I agree with the gentleman. It seems to me, however, that there should be some clarification on the floor, since in connection with many plants in the smaller communities it would be very doubtful if there could be raised a sum of money necessary to purchase any one of them.

If it is declared surplus, it simply means that it is not feasible for the agency of the Government that owns it or controls it to use it further for the purpose for which the plant was built, but it could be used, and in many instances it could be used advantageously, for the production of other goods the Nation needs without essentially changing the plant so as to render it worthless for the prime purpose for which it was constructed. In such a case, the plant could be utilized for peaceful purposes and be recaptured for war purposes when war made it necessary.

The one way that you can get any real money out of some of these plants is to have them split up and operated during peace for civilian purposes by private lessees. I know one plant, for instance, that is susceptible of division into four smaller plants, not one of which would change a single major unit. Thus, the rentals would give the Government a substantial return on its investment, while preserving the essential parts of the original plant, so it could profitably be recaptured for war purposes should such need arise. That is the only way the little man can come in for a share of it or do the community in peacetime any good. The gentleman is perfectly clear that that is feasible and proper and normal if the facts warrant it in the judgment of the disposing agency?

Mr. WHITTINGTON. I think the answer I have made is a fair one. If the Government leases this property, at the expiration of the lease it is going to be



in the hands of the Government. This particular section here provides for just what the gentleman has in mind, that we cannot use all of it.

Mr. HOBBS. The gentleman thinks that the over-all declaration of policy, to get the most out of it, to distribute the benefits widely, to prevent monopoly, and to prevent profiteering would govern at least to the extent I have indicated?

Mr. WHITTINGTON. I would go further and say that in addition to the objectives and in addition to the policies we have made it a provision of the bill.

Mr. HOBBS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this section of the bill is one that, to my mind, is the most important section, perhaps, of the whole bill. I myself have prepared three different amendments thereto, one of which would have said that you could not sell one of these Government plants to any corporation that already controlled more than 20 percent of the business in a given field.

I have been trying to do the best I could on this bill. I am convinced that the amendment offered by the gentleman from Mississippi helps the bill a good deal. Personally, I want to go further than he does. But it is not true, in my judgment, as the gentleman from Ohio said, that this board that is provided, even the one that is provided in the bill, would be of no importance. I supported the amendment of my colleague from California [Mr. POULSON]. I should much rather have had a citizens board in control of this program, and I still hope it will be done as the result of conference with the Senate. Nonetheless, on this board that has to approve the sales under this amendment are included the Chairman of the Smaller War Plants Corporation; the Chairman of the War Production Board, who I hope will still be Mr. Donald Nelson, incidentally; the Secretary of the Interior; and the Secretary of Agriculture—a very broad group of Government officials.

The point is that under the amendment offered by the gentleman from Mississippi none of this can be disposed of without wide public discussion of the matter, which, after all, is perhaps the most important safeguard you can have.

I asked for this time primarily to say that I am going to offer two amendments after this amendment has been acted on, one of which will provide as best I know how to do it, in language as carefully worked out as possible, for protection of the public interest in the matter of the disposal of patents, and the second of which has to do with that type of plant which the gentleman from Texas mentioned, which ought to be preserved in a stand-by capacity against the future national defense needs of the Nation. They will not be amendments to this amendment, but I just wanted the House to know I was going to offer them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer a perfecting committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 35, preceding section 13, in line 8 in the center of the page, insert the words, "Disposition of Plants."

The amendment was agreed to.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 35, line 10, after "aluminum" insert "or any pipe line for the transportation of oil."

Mr. WALTER. Mr. Chairman, under the amendment just adopted by the Committee, it is provided that there can be no disposition of these plants costing upward of \$1,000,000 unless the board approves. That is applicable to every plant except those engaged in the production of aluminum or rubber, where one step more must be taken before the facility can be disposed of—namely, the submission to the Congress of all the data surrounding the proposed disposition of the aluminum and rubber plants.

The amendment I have offered proposes to place this third war facility in the same category as these two industries that are being dealt with specially.

I do not know exactly how much revenue has been derived from the use of the oil pipe lines. I have been reliably informed that had the same amount of oil been shipped by rail the cost would have been exactly the same, so that we have not lost anything through this investment.

This pipe line presents to the coal and oil industries of the Nation the kind of menace that I do not believe ought to be quickly overlooked. It seems to me that before the owning agency and the board should be permitted to dispose of this line, Congress ought to be told what is proposed to be done with it. I have my own ideas. The fact of the matter is there is only one potential customer for these oil oil lines; that is, a natural-gas subsidiary of the Standard Oil Co. of New Jersey.

In a speech recently delivered, which I discussed on Monday at length, the vice president of the Standard Oil Co. of Ohio very frankly spoke about the markets, and in summing up his remarks he said:

The gas delivered through the lines would displace the coal and oil now used to manufacture artificial gas.

Having been forewarned through that very frank statement of what is intended to be done, it seems to me that the least we can require before this tremendous temporary facility is disposed of is that it be submitted to the Congress, where we can openly and with full information debate all of the aspects of this proposition.

When we think of the cost—and these Big and Little Inch lines cost a lot of money, about \$165,000,000—we should remember that since 1933 in direct relief and in work relief projects the Federal Government has expended upward of \$311,000,000, over twice the cost of this

pipe line. If this pipe line is used for the transportation of natural gas, it will displace 7,000,000 man-days of work a year at a cost to our economy of between \$50,000,000 and \$60,000,000 in one year.

When the Post-war Planning Committee took up these terrific problems, the very first thing that was suggested was that we pay attention to unemployment, and that every bit of legislation suggested should be suggested only after the effect of the enactment of that legislation on employment and unemployment had been carefully considered. I cannot imagine a greater blow being struck at employment than the transfer of these oil lines to the natural gas industry.

Again we have a very limited supply of gas. The supply of oil in this country is limited. But under the mountains of Pennsylvania there is enough coal to last for upward of 1,000 years according to the testimony of the experts. It certainly seems to me we are taking a step backward if we make possible the transfer of this facility at the expense of coal and oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I rise in opposition to the amendment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WALTER. Mr. Chairman, I would like to state to the Committee that this amendment was adopted by the committee of which the gentleman who is about to address the House is chairman.

Mr. MANASCO. Mr. Chairman, that is a correct statement, but I did not support the amendment, and I thought section 13 should have been stricken from the bill, because I do not think the Congress of the United States should be the disposal agency for these surplus war plants. I represent a coal district. I have been approached by the operators and the mine workers' union to support this amendment. It puts me in a difficult position to rise in opposition to the gentleman's amendment, but I know something about the work of coal miners; I have worked in coal mines myself and I know something of their problems. I am just wondering if we are here today to tell every State, every county, and municipality through which this enormous pipe line passes that it will be owned by the Federal Government from now on and that that pipe line will not have to pay any taxes to help run your schools and build your highways or to carry on your public health program. If this amendment is adopted it will mean that this pipe line will never be sold; and it will not last in the ground for a thousand years. We are going to have several other amendments offered here today to this section to include plants costing over a million dollars. We will have an amendment for the magnesium plants. We will have amendments covering aluminum plants and we will probably have amendments covering aircraft plants. Under the bill as it is now written the Admin-



istrator has authority to sell parts of some of these used facilities. He can sell to some of your local concerns, we will say, 80,000 or 90,000 square feet in one of the huge aircraft factories. If this amendment and similar amendments are adopted, it would mean the Administrator under section 13 must study the problem. It would take 6 or 8 months to carry out all the suggested studies and make reports. Then it would have to lie on the Clerk's desk here for another 6 months, unless Congress acted, before any of these plants could be disposed of. What does that mean? That means we will not be able to dispose of any of these plants. That means the taxpayers of the United States will pass by these used aircraft factories, your steel plants, your rubber plants and your aluminum plants, and will see them idle, and there will be no one to give employment to the men. Of course, some people have it in their minds that probably if they are not purchased by some corporation, they will be operated by the Federal Government.

Of course, if the Congress decides to adopt a policy of Federal ownership and operation of these plants, why, then we might just as well kiss our system of government good-bye. I think one of the primary objectives in the disposal of these plants is to see that men are given jobs in private enterprise. I am interested in the coal miners having work. But this thought has occurred to me: According to the geologists, the natural gas in this country will bleed out in the not too far distant future. I hope that the coal miners and coal operators in my district will be able to sell coal to manufacture gas to be pumped through these pipe lines. We must not just look at this picture as of today, but we must look at it in the future. I think the future of the coal industry depends largely on chemical research. I do not think we can tell the people in New York, if they want to heat their homes with natural gas, that they cannot have natural gas up there. While I do not think we should give the people who want to travel by air an advantage as compared with travel by other modes of transportation, I also do not think that the people who want to travel by air should be penalized; and these restrictive amendments would penalize the people who live in those areas which would be benefited. You know, there will be a lot of people selling gas ranges and manufacturing gas ranges and I think our coal could be used in the manufacture of these gas ranges. I think our coal would be used to haul gas ranges to these people. I am not as much disturbed over the dislocation of the coal industry as I am over the fact that the coal industry might not meet the challenge of your new chemical industry. I sincerely trust, Mr. Chairman, that all amendments to this section will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I am not going to use the 5 minutes.

Mr. Chairman, like the chairman of the committee, I opposed this amendment. There was a difference between the pipe lines and the synthetic rubber.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. MASON. Mr. Chairman, I want to know under what rule of the House the gentleman from Mississippi has the floor. He made no pro forma motion and the 5 minutes for the amendment and the 5 minutes against the amendment have expired.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Mississippi moves to strike out the last two words and is recognized for 5 minutes.

Mr. WHITTINGTON. Mr. Chairman, I would say that there is a difference between the synthetic rubber and the aluminum amendments. Synthetic rubber represents an investment of nearly a billion dollars. So does aluminum. And the question of rubber came in connection with peace negotiations and the question of the trusts came in with reference to aluminum. If we include pipe lines there is not any good reason why we should not include the other plants. We anticipated this amendment by the adoption of the previous amendment which provides for plants costing a million dollars or more. But the Government has constructed about four pipe lines. My recollection is one of the first constructed was to connect two existing pipe lines in Texas to get oil to the Gulf, but the submarines put that out of business and you have that pipe line not used now. We constructed a small pipe line across Florida and then we constructed one to run from Greensboro, N. C., to Richmond, Va. But the big pipe line is the 20-inch and 24-inch pipe line. I make this suggestion to the gentleman from Pennsylvania, that pipe line did not promote the use of gas or the use of oil as a competitor of coal. Why, they were being used along the Atlantic seaboard long before the pipe line was constructed. I live in a region where we have oil. I have been in the State of Maine and I have found petroleum products used probably more in that State than in my own State, because they have been transported up there by tankers along the Atlantic coast and along the Gulf coast. But the tankers were put out of business by the submarines and the whole purpose of this pipe line was to enable the people of the east coast to get fuel, as well as to get the oil up there for the armed forces where we could not get it by the use of tankers on account of submarines. It strikes me that this pipe-line amendment is on all fours with many other comparable agencies that were established during the war.

They did not provide for competition with coal, because after the war the oil companies may use tankers. I do not know whether the Standard Oil will use tankers or—which will be cheaper—tankers or pipe lines. I do not know what the other oil companies will do. But there are a great many oil companies, and there ought to be some competition in the purchase and use of pipe lines.

Mr. WALTER. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WALTER. I simply wanted to call the gentleman's attention to the fact that the principal markets for coal are the homes in the Philadelphia and New York areas which are directly affected.

Mr. WHITTINGTON. Yes; and representatives in that area said that they needed fuel up there. This big pipe line was established to take the place of the tankers that we could not operate on account of the submarines.

Mr. WRIGHT. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WRIGHT. The difference between these pipe lines and other types of industry is that the pipe lines are natural monopolies. I do not know what should be done with them. I do not say the Government should operate them.

Mr. WHITTINGTON. I anticipate the gentleman's question. We provide against monopolies. There are other pipe lines owned by corporations. We provide that they be disposed of to prevent monopolies.

Mr. WRIGHT. I think the Congress should have a right to express its policy over such a large monopoly as these pipe lines.

Mr. WHITTINGTON. I think the coal industry is pretty well organized—

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired.

Mr. FENTON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania [Mr. WALTER]. I want to direct the attention of my colleagues to the fact that there are now two war emergency pipe lines owned by the Government that convey oil from the Texas fields through several States to the Philadelphia area of Pennsylvania where the lines branch off into New York. One is a 24-inch line for crude oil. The other is a 20-inch line which parallels the 24-inch line and which conveys the products, finished, of oil.

While neither of the lines run directly through the anthracite coal-producing area, I want to point out that the proximity of Philadelphia to the hard coal region would open a direct threat to the anthracite coal market if these oil pipe lines were taken over by private interests that would endeavor to acquire any market in order to justify a return for any investment that would be made. The economic distress which has affected the hard coal industry in recent years could only be aggravated by competition from fuels transported cheaply from other States in which the controlling interests were not representative of the area in which the products are produced.

Therefore, I feel it is essential to the future economic welfare of the hard coal producing areas of Pennsylvania that the Congress of the United States adopt this amendment which would prohibit any Government agency disposing of any surplus Government-owned pipe line for the transportation of oil which cost the Government \$5,000,000 or more. And I want to point out right here that the Petroleum Administration for War esti-



mates that the cost of the one 24-inch line from Texas to Pennsylvania and New York is \$66,000,000, and the other or 20-inch line is estimated to cost \$77,000,000. In other words the estimated cost of these two Government-owned oil lines is approximately \$143,000,000. Private control of these lines which extend through the Philadelphia area of Pennsylvania might become a direct threat to the anthracite coal-producing area. I ask for adoption of the amendment.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. HALE. Do I understand the gentleman to say that he is opposed to the sale of these pipe lines at all?

Mr. FENTON. No; I am not opposed to the sale of the pipe lines, but I think there should be some restriction, and left to the Congress of the United States.

Mr. HALE. Is not the gentleman satisfied with the restriction contained in the amendment just adopted, which was offered by the gentleman from Mississippi [Mr. WHITTINGTON]?

Mr. BENDER. May I answer that?

Mr. FENTON. I yield to the gentleman from Ohio.

Mr. BENDER. As I stated before, the Whittington amendment is all right and in order, but it does not add anything particularly to the bill. The committee considered this proposition offered by the gentleman from Pennsylvania [Mr. WALTER] and voted almost unanimously for the adoption of this amendment. This is a committee amendment.

Mr. FENTON. That is as I understand it.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. FENTON. I yield.

Mr. VOORHIS of California. I think the essential thing in this is precisely the point the gentleman made. There has been no means whereby the major oil companies have exerted their power over the independent producers of crude oil so effectively as by the pipe lines. The future of these big pipe lines is going to be as important as anything else in the world in regard to the distribution of fuel, and therefore I think the amendment should be adopted.

Mr. FENTON. I think the gentleman is right.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FENTON] has expired.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I do not believe this Congress should strike a blow at the economy of the coal-mining States, among which are Pennsylvania, Kentucky, Ohio, and West Virginia, by refusing to adopt this amendment. I do not know what the proper disposition of these pipe lines should be, but I think that the industries and the workers affected in these coal-mining States should have a right to come to Congress and present their particular problem. I believe it is a problem that requires special treatment. The adoption of this amendment will not, as has been charged, interfere with the sale of these pipe lines. It will make it

necessary that it be presented to the Congress before they are disposed of.

Mr. TABER. Will the gentleman yield?

Mr. WRIGHT. I am always glad to yield to the gentleman from New York.

Mr. TABER. Does the gentleman understand that the cost of transporting oil by these pipe lines is somewhere around three or four times what it is to transport by tanker, and in ordinary commercial practice it would be impossible to use it in transporting oil in the regular sense of the word? I have in mind it is going to be a very difficult job for the Government to ever dispose of these pipe lines.

Mr. WRIGHT. The gentleman may be right. I have not made a study. I think really where there is such danger as has been seen by my colleagues from Pennsylvania on both sides of the aisle, the States affected should have an opportunity to present this problem to Congress. Then if there is not any danger, let us dispose of them.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I am glad to yield to my colleague from Pennsylvania.

Mr. WALTER. Under this amendment and the Whittington amendment it is merely provided for a sale nisi, so that the sale can be made and commitments made, and unless the Congress does something affirmatively, through legislation, within a period of 6 months, then the sale becomes final.

Mr. WRIGHT. Of course, the gentleman is right. We are not prohibiting the sale. We want to have a study made before this Congress does anything which is going to adversely affect the economy of some of the most important sections of this country.

Mr. FENTON. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. FENTON. Does the gentleman know how much oil is transported by this 24-inch pipe line?

Mr. WRIGHT. I do not know. I have not made a sufficient study, but the problem is so grave that it alarms me.

Mr. FENTON. It is my understanding that approximately 300,000 barrels a day are transported by this one pipe line.

Mr. WRIGHT. I thank the gentleman for his information.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WRIGHT] has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 58, noes 23.

So the amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 50 minutes, reserving the last 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. VOORHIS of California. Mr. Chairman, reserving the right to object, if the gentleman will modify his request to provide that every Member offering an amendment to the section shall have at least 5 minutes in which to explain it I shall not object.

Mr. HOBBS. Mr. Chairman, I make the same reservation.

Mr. LARCADE. Mr. Chairman, reserving the right to object, I have an amendment to this section which I desire to have considered. Unless I can be assured of the right to offer it I shall object.

Mr. MANASCO. Mr. Chairman, as I understand it, there are five amendments pending at the desk. This would allow 5 minutes for and 5 minutes against each amendment.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this section close in 50 minutes, the last 5 minutes to be reserved to the committee. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Nebraska.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 35, line 11, following the words "which cost the Government" change the figure "\$5,000,000" to read "\$1,000,000."

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes.

Mr. STEFAN. Mr. Chairman and members of the Committee, this is the amendment to which I referred in debate with the distinguished gentleman from Mississippi [Mr. WHITTINGTON].

The section which I am endeavoring to amend reads as follows:

No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber or aluminum which cost the Government \$5,000,000 or more—

And so forth. I would eliminate the figures "\$5,000,000" and substitute therefor the figures "\$1,000,000."

My reason for that is because there are many units in our great synthetic rubber program which in my opinion cost less than \$5,000,000 and I fear that if my amendment is not adopted it would be possible for the Administrator, when a plant is declared surplus, to dispose of it, if it cost less than \$5,000,000.

My amendment is offered to assure the continuation of grain alcohol plants, one of which is located in my State of Nebraska. I assume other Members have some of these plants where alcohol is being manufactured from grain. I feel that these plants should be given every encouragement possible because there may come a time again when we will have a surplus of farm products. I feel that these plants have proven the argument that we in the agriculture country can find new uses for our farm products and that we can solve the myth of farm surplus through this program of farm chemistry and new uses for farm products.

We have been told that the taxpayers have about \$15,000,000,000 invested in



these various plants. I assume we have close to \$1,000,000,000 invested in the 49 or more plants which have something to do in the manufacture of synthetic rubber. Perhaps we have the same amount invested in aluminum plants.

We did not get these synthetic rubber plants without great difficulty. There were many, many hearings by the Gillette committee. There were various pieces of legislation introduced. One including my own bill which had to do with the manufacture of synthetic rubber from grain products. There was much opposition from special interests. But we finally won and we have succeeded in making rubber from American products. This was all done at a time when we were at war and when most of the natural rubber supply was cut off from us by our enemies. We constructed all kinds of plants where material was made for synthetic-rubber manufacture. We built alcohol plants where alcohol was made from farm products; from coal and petroleum products; from the guayule weed and other things. We built plants close to the point of farm production and for the first time we gave hope to the farmer that his products had many new uses.

How successful have we been? The recent report of the rubber director indicates that at the end of this year our synthetic rubber plants will be turning out more than 860,000 tons of rubber. That is far more rubber than we use normally. We are even exporting some of our rubber to our allies. In spite of the fact that our enemies have control over most of the natural rubber plantations, we are now self-sufficient so far as rubber is concerned.

There is a bright possibility that the end of the war in Europe will come during this calendar year. So we are here today working on legislation to dispose of nearly \$100,000,000,000 worth of surplus plants, property, land, ships, and all kinds of material. The legislation is designed so that there will be no repetition of the disgraceful things that happened after the First World War. We are legislating now with the objective that this property will be fed back into our economic channels in such a way that it will not destroy our post-war economy. We are endeavoring to legislate so that no monopolies, no special interests can take advantage of this huge surplus which belongs to the taxpayer.

But special interests are at work, Mr. Chairman. I sincerely believe that there are international cartels and certain forces at work at this very moment. Interests which have as their objective the destruction of the gains we have made in the program of new uses for farm products. It is my sincere and honest belief that the natural-rubber-producing governments are at work right now with the objective to induce us to scrap our synthetic rubber plants. This feeling must have been shared in by members of the committee who so wisely wrote into this bill the words:

No Government agency shall dispose of any surplus Government-owned plant for the production of synthetic rubber or aluminum.

There must have been some feeling in the committee that perhaps it would be wise that before such disposal is attempted that the agencies come to Congress for such permission. But the committee added the words "which cost the Government \$5,000,000 or more."

I feel that this figure may become a joker in the disposal program because there are plants costing less than that amount which perhaps could be disposed of. And that would include, in my opinion, some of the smaller plants scattered over the various States. These are small plants, but they are an integral part of the link which has made our synthetic rubber program successful.

The gentleman from Mississippi has had an amendment adopted which would restrain disposal of plants costing \$1,000,000 or more until the advisory committee or Congress has an opportunity to view the situation and give approval or disapproval. That is a helpful amendment, but in my opinion, it does not protect these rubber or aluminum plants. I feel my amendment would strengthen the Whittington amendment and give double assurance that these smaller plants would be given some real protection. I feel every safeguard we can put into this bill will strengthen the farm chemurgy program and inspire those who feel that we are now on the threshold of an era of new uses for farm products. An era which I predict will eventually solve the perplexing distribution and transportation problems. An era during which I predict we will see more processing of farm products close to the point of production.

I urge favorable action on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 22, noes 35.

So the amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 36, line 24, add a new subsection as follows:

"Whenever the Administrator or any disposal agency shall begin negotiations for the sale or transfer to private interests of a patent the Administrator or disposal agency shall promptly notify the Attorney General of the proposed sale or transfer and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Administrator or disposal agency whether the proposed sale or transfer will either violate the antitrust laws or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTINGTON. The section under consideration has to do with the disposal of surplus Government-owned

plants. There is nothing in any part of the section that has to do with patents. It is an entirely different subject matter that is not covered by this section. It strikes me that the amendment is not germane to the section or to any part of the section because we have no provision here for patents.

Mr. VOORHIS of California. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. VOORHIS of California. Surely the gentleman from Mississippi does not contend that it is impossible to place an amendment in this bill governing the disposal of patents. There is no more important type of property involved for Government disposal than patents.

As to whether or not my amendment is germane to the section we are now considering, I submit to the Chairman only that I know of no better place to offer it in the bill than at the place where I am offering it, because this section provides for the disposal of Government plants. I do not find any other general heading in the bill where I think the amendment would fit so well as it fits here. Surely the Chair would not rule that it was impossible to insert a provision in this bill having to do with the disposal of patents. If the Chair does not so rule then it is my contention that this is as appropriate a place to offer it as any.

Mr. WHITTINGTON. With the indulgence of the Chair, may I state further that section 10 (a) of this bill provides for the disposal of all surplus property of the Government and the section under consideration applies to the disposal of Government plants. If the Government has any patents or other property to dispose of it should be handled under section 10, not the present section, and if not under section 10, then under a new section.

The CHAIRMAN. The Chair is ready to rule.

The amendment has to do with the disposition of patents. The subject matter of the entire bill is the disposal of surplus Government property. Section 13 of the bill confines itself to the disposal of plants.

The Chair holds that the amendment would be and is germane to the bill but is not germane to section 13.

The Chair would suggest to the gentleman from California that in the opinion of the Chair it would be in order to offer it as a new section following section 13.

The Chair sustains the point of order.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 36, line 24, add a new section as follows:

"(3) In cases of plants or facilities suitable only for the manufacture of arms or ammunition of war title to such property shall in all cases be retained in the Government and such property shall either be maintained as stand-by production capacity or operated directly by the Army or Navy or leased for operation by a private contractor or contractors for the production of ammu-



nition or munitions for the Army or Navy of the United States, or civilian goods: *Provided*, That if leased for the production of civilian goods the lease or leases shall provide for and safeguard the right of recapture in the event of national need."

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. HOBBS. Mr. Chairman, this amendment deals solely with those plants that were erected by the Government for the production of munitions or ammunition, wartime necessities. Hundreds of millions of dollars of the taxpayers' money has been expended in such construction. It is entirely conceivable that after the war it will not be necessary for all of those plants to be kept in operation for the production of arms or ammunition; but it seems to me that it might be vital to our Nation that they be kept as standby plants for the purpose of resuming such production in case of war. Such foresight would not only protect us against such a lethal contingency but would save billions of dollars that would be wasted by the former procedure—building extravagantly under the high pressure of the war emergency, then junking and rebuilding just as wastefully when a new emergency comes.

During the peace period, when they are kept in standby condition and not allowed to deteriorate, they might be leased for the production of civilian goods. The recapture clause in the leases would assure their availability when needed. Leave them standing there, keep them in standby condition, without expense to the Government, and plus a return on the investment. Provide employment, get the benefits of the civilian goods produced, and if and when war again requires their use, they will be ready. That makes sense, does it not? Otherwise you will not realize one cent on the dollar, and you know it. Also, you are assured another crop of war millionaires. Then another crop of war millionaires when they have to be rebuilt. And so on, ad infinitum. Build them, junk them, then rebuild them. That is the formula of our policy.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. HOBBS. Always I am glad to yield to the gentleman from California.

Mr. VOORHIS of California. The gentleman knows I am heartily in favor of his amendment. I would like to remark that had the policy outlined in the gentleman's amendment been followed after World War No. 1 we might well have saved hundreds of millions of dollars when this present war came on us.

Mr. HOBBS. The gentleman is right.

Mr. JENSEN. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Iowa.

Mr. JENSEN. I wonder if the gentleman should not define "national need" more clearly in his amendment. National need might not just mean war. The President may say that an emergency exists and that would require the Government taking over the plant in peacetime. Should we let it hang in

midair to that extent and permit the President to take over those plants in peacetime by declaring that a national emergency required this action?

Mr. HOBBS. I will be glad to answer the question. My reason for leaving it that way and my reason for using those words was this: We probably will police the world for at least two generations. There would be a need to run these munition plants in acting as the arsenal of democracy, especially for the 21 American republics. There might be such a need which would have to be served, but it would not be war. I believe we can safely entrust this recapture power to the administrator or board set up in this bill, and I believe that there is nothing to fear on that score because they are not going to take them over except there is a recurrence of need to produce ammunition or munitions. It would not be feasible to limit that term "national need" strictly to the declaration of emergency, or to war.

Mr. JENSEN. That is what I wanted the gentleman to say. We should not leave this thing in such a position, or leave the record in such shape that it would indicate the Congress felt that these plants could be taken over in peacetime for anything other than the protection of the Nation.

Mr. HOBBS. That is right, sir.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there is located in the district I represent a small-arms ammunition plant, stated many times to be the largest in the world. The production has already been curtailed in connection with the manufacturing of small-arms ammunition in that plant. When the war is over we will not be able to retain all those places and keep them operating. This plant cost over \$100,000,000. If it is going to be used by the Government, I do not know what it can be used for. It might be, it could be, least to say, probably a hundred industries purchase parts of this plant. The plant I refer to is located within the boundaries of the city of St. Louis.

We do not want that plant lying idle. At the present time we get no taxes for the large amount of ground occupied by the Government. We want the plant to operate. The Government is not going to need all of these ammunition plants that we have now. Of course, it is true we will maintain some of them, but when the war is over we will have a supply of ammunition in storage which will last us for many, many years in peacetimes. We are not conducting this war on a day-to-day basis.

Mr. TABER. Will the gentleman yield for a question?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that it is absolutely impossible to deal intelligently with these plants on a mass basis; that each individual case has to be passed upon by itself?

Mr. COCHRAN. The gentleman is absolutely correct.

Mr. Chairman, there is another part of this amendment that should not be overlooked. If the provisions of this amendment are to be carried out, then where is the argument that we do not want the Government competing with private business? Private business has been manufacturing the great bulk of the necessities of the Government during peacetime and private business should continue to operate during peacetime to supply the Government. How about clothing? This amendment will put the Government in business competing with your commercial plants and my commercial plants.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from California.

Mr. VOORHIS of California. It does not apply to clothing at all. All the amendment offered by the gentleman from Alabama [Mr. HOBBS] does is cover plants which can only be used for the manufacture of munitions of war, plants which are only suitable for that purpose. Those are the only kinds of plants covered.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If these plants are needed after the war, they will not be declared surplus by the War Department.

Mr. COCHRAN. Absolutely not.

Mr. WHITTINGTON. The proposed amendment would reverse every program enunciated in the policies of this bill and require us to maintain stand-by plants instead of disposing of these plants.

Mr. COCHRAN. The gentleman is right.

Mr. HOBBS. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Alabama.

Mr. HOBBS. The amendment does not provide for operation by the Government for any purpose except manufacturing ammunition or munitions. Anything else that might be made would be manufactured and sold by private lessees.

Mr. COCHRAN. All right. Let us take this plant that is operating in wartime. The Government is not operating the plant. The Government owns it and every piece of machinery in it, but it has leased the plant to a cartridge company which is operating that plant for the Government. If the Government does not operate that plant in wartime why should the Government operate it in peacetime?

Mr. HOBBS. This amendment does not require the Government to operate any plant. We need the safety which the retention of the title to such plants would give us, subject to the right of recapture, in case of need. We need this additional safety. In the meantime we would get some return upon the Government's investment, if the Government had no need to operate, and leased them to private concerns for making civilian goods. We will not have the Government bilked, as it has been in every war so far, by having to rush in every time



there is a cloud on the horizon, and at enormous cost rebuild these facilities post haste, because we had allowed them to be junked.

Mr. COCHRAN. I do not want that plant to be lying idle in my district, and I am sure the people of the city of St. Louis do not want it to be lying idle either.

Mr. HOBBS. I have stated the purposes of the amendment.

Mr. COCHRAN. Mr. Chairman, I think the amendment should be voted down.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. LARCADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LARCADE: Page 38, line 21, strike out "This" and insert "The foregoing provisions of this", and after line 24, insert the following:

"(f) No surplus Government-owned plant shall be dismantled, or be disposed of to any person who does not expect to operate such plant at the place where it is located, unless the State and political subdivision in which such plant is located have been given a reasonable opportunity to acquire such plant. If the State or political subdivision does desire to acquire such plant, the Administrator is authorized to provide for the acceptance by the disposal agency in payment therefor of bonds, certificates of indebtedness, excess-revenue certificates, or other evidences of indebtedness, of the State or political subdivision, bearing interest at the rate of not more than 3 percent per annum and maturing in not more than 40 years from the date of issue."

Mr. LARCADE. Mr. Chairman, I think this amendment is self-explanatory. I believe that all of us who have war industries established in our districts in the various sections of the country want to see them maintained and want to see them operated in order to give employment to our people and the returning veterans when they come back from the war. It is my opinion that there may be instances where private enterprise will not purchase these plants. My amendment provides that a municipality or any political subdivision of the Government, after all effort has been made to dispose of these plants in the various communities where they are located, and with the condition that they shall be operated by the purchaser, if they have been unable to find a purchaser within a reasonable time, should be given opportunity to purchase them. To give as an example, in the city of Lake Charles, the largest city in my district, we have a very fine port. On account of the natural advantages of my section and that port the Government established more than \$200,000,000 worth of war industries, the foremost of which are a magnesium plant, a synthetic rubber plant, high-octane gasoline, and butadiene plant, and other plants, and in addition in other sections of my district, through the Defense Plants Corporation, there have been established other industries which we are fearful we may lose unless some provision is made

to protect us in this respect, under the bill now under consideration, we have the same situation in all other sections of the United States. There may be an airport established adjoining some municipality or some city. After the war the Government may find that it no longer has any need for that facility. I think it would be a good thing if the municipality would be given an opportunity to purchase and operate this airport rather than have it abandoned and that facility lost to the people of that community.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield.

Mr. WHITTINGTON. Of course, this section does not embrace airports because it has to do with war plants such as the gentleman says he has in his district.

Mr. LARCADE. I am particularly concerned with war industries in my district. As my distinguished colleague from Mississippi will recall, during the administration of Governor White in the great State of Mississippi many industries were established just by this method of the municipality voting taxes, in order to attract industry.

Mr. WHITTINGTON. There would be no prohibition in this bill against that course under this bill.

Mr. LARCADE. That is right.

Mr. Chairman, my distinguished colleague also stated that up to this time there has been only one plant taking advantage of the option to repurchase, and further, that it was his opinion that possibly no further options would be exercised for the purchase of these plants. Naturally we want to conserve these plants. We want to see the Government get back some of this money. For example, the magnesium plant which was constructed in my district, in the city of Lake Charles, was one of the disappointing features, and one of the black marks on the program of the Defense Plants Corporation. Fifty-four million dollars of Federal funds were spent to establish that industry in Lake Charles, and on account of faulty construction and faulty engineering the plant never did operate satisfactorily and never was successful and having only operated to one-half of its capacity, and it is estimated that it cannot be put in condition where it can be profitably operated. In other words, it is in such bad shape that this plant cannot be operated on a competitive basis. Certainly the Government should try to get some salvage out of a plant of that kind. We do not want to lose that plant if we can help it. If we are not able to get the E. I. du Pont de Nemours Co., or the Dow Chemical Co. to make some kind of an arrangement with the Government for the purchase of this plant, the chances are that it will be dismantled, which would be a great industrial loss to our city.

This amendment is one that I think should appeal to all of the Members, because these war plants are scattered throughout the length and breadth of our country. I believe that all municipalities and political subdivisions should

be given an opportunity to purchase these plants after all effort has been made to sell these plants to private enterprise, in order to preserve them where located and to conserve these plants, in order that they may be operated to give employment to our people. I hope the Members will give favorable consideration to the amendment.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. The gentleman has been perfectly frank with respect to his amendment. The gentleman has a unique proposition. His amendment provides for the continuance of plants that have not been operated and that are absolutely impractical to operate.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. LARCADE. I am afraid the gentleman misunderstood my point. I am not trying to provide for the operation of plants that have never produced. I am trying to provide for my municipality to purchase a plant that has operated but is not being operated now.

Mr. WHITTINGTON. I understood the gentleman to say that that particular plant was never operated and it was found impractical to operate it. That was what I understood the gentleman to say. However, the distinction is immaterial.

Mr. LARCADE. My point is that the plant is there and that it is available for purchase, and rather than dismantle it and have it moved away, our municipality should be given an opportunity to purchase it.

Mr. WHITTINGTON. If it is declared to be surplus it can be disposed of, and your people or municipalities can acquire it under the provisions of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was rejected.

Mr. FOLGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: Page 35, line 12, after the word "therefore", strike out the period, substitute a comma, and add the following: "given or entered into prior to June 23, 1944, and which option shall be held by the Attorney General as binding on the United States."

Mr. FOLGER. Mr. Chairman, I have been somewhat disturbed about that very broad exception contained in section 13, which is the heart of the section, and to which has been added some other material that seems to me to be of somewhat doubtful relevancy. All of the amendments that we have voted upon, some favorable and some unfavorable, relate themselves to the provisions of this section, but from every bit of it is excepted and taken out any plant or property that is or might be optioned to someone else or pursuant to an option; that is, if an option has been entered into or shall be entered into at any time, then the Congress or the Government must respect that option and this section 13 would not apply to any property upon which an option has been given.



The 23d of June 1944 is the date of the introduction of this bill. Therefore, I wrote in the amendment, "Any option entered into prior to June 23, 1944." Then it occurred to me that there might be options lightly entered into but which were very detrimental to the Government's best interests, and that any option, before it is accepted as binding upon the Congress and upon the Government, ought to be held by the Attorney General as binding upon the United States, and, then, of course, we would have to abide by it.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Alabama.

Mr. MANASCO. Do I correctly understand the amendment to mean that when an option was entered into with one of the corporations operating some of these aircraft factories prior to June 23, 1944, the Attorney General would have authority to rule whether or not that was a legal, binding contract?

Mr. FOLGER. That addition does mean that.

Mr. MANASCO. It is the gentleman's opinion that a contract entered into in good faith by one of the operating agencies could be declared invalid by the Attorney General?

Mr. FOLGER. Invalid?

Mr. MANASCO. That would be the effect of it.

Mr. FOLGER. Only in the event the Attorney General found it was illegal or that something had entered into it that ought not to have been there, and he could not approve it.

Mr. MANASCO. Could not that be done under existing law if a contract is contrary to public policy?

Mr. FOLGER. I imagine the committee put this in because it recognized that there are probably outstanding options on some property—how much the committee probably did not know, and I do not know anything about it, but that was put in because the committee felt it was binding. But if, as a matter of fact, it turns out that it was not a binding option, one that the United States ought to be bound by, we ought to give ourselves a chance to say so at some period before the whole matter is closed out. Under this provision it could be done even if the option was illegal, because the Congress says this section shall not apply to any property that is under an option. That is all there is to it. We should reserve the power of examination of any options, and if found to be harmful to the Government—and for any valid reason not binding on the Government—the same should not be recognized.

Mr. HALE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the amendment is wholly unnecessary. Section 13 (a) contemplates that the Government agency may dispose of surplus Government plants pursuant to an option for such disposal. I think the word "option" must be construed to mean a legal and valid option. The only effect of the amendment would be to have the Attorney General decide whether the option was valid. It seems to me the At-

torney General would there go beyond his proper function, for it must be presumed that the contracts the United States has entered into are valid contracts and that the United States intends to perform them in good faith.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Any contract that contains an option was evidently passed upon by both the attorneys for the governmental agency and the attorneys for the operating agency, and it ought to be binding on both of them no matter what the opinion of the Attorney General might be, because it has been passed on.

Mr. HALE. I take it for granted that that must be so. The amendment would appear to stultify the whole contract-making process of the United States.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Alabama.

Mr. HOBBS. Is it not apparent also that the option, which of course means a valid, legal option, must have been entered into at the time of the making of the original contract, for it is the purpose of this bill to give somebody some power to do something about it now? In other words, there could not have been a valid option granted unless it had been granted at the time of or contemporaneously with the execution of the original contract.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from North Carolina.

Mr. FOLGER. Does the language of this section refer to options entered into at the time the contract was originally made, or any option entered into at any time?

Mr. HALE. It presumably refers to any option validly granted by the United States, whether in the original contract or in some supplement thereto.

Mr. FOLGER. Then is there any harm in allowing the Attorney General, whoever he may be, to look into this and see if he thinks it to be a binding, valid option?

Mr. HALE. The Attorney General has presumably looked into it already. I presume the United States does not enter into any contract inadvisedly or lightly.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. MANASCO. If the Attorney General finds that the option is illegal, then the courts of the United States may decide otherwise, and finally it would have to be left to the determination of the courts.

Mr. HALE. It seems to me it is only a matter of decency to allow the party who holds an option to go to court and not try to foreclose him with the Attorney General, or have the Attorney General intervene against him.

Mr. FOLGER. Is not the opinion of the Attorney General law until the courts hold differently?

Mr. HALE. I think that is going rather far.

Mr. FOLGER. It is in my State, I know.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 36, line 24, add a new section as follows:

"SEC. 14. Whenever the Administrator or any disposal agency shall begin negotiations for the sale or transfer to private interests of a patent, the Administrator or disposal agency shall promptly notify the Attorney General of the proposed sale or transfer and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Administrator or disposal agency whether the proposed sale or transfer will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially."

Mr. VOORHIS of California. Mr. Chairman, this is an amendment I earnestly hope the Committee will accept. I see no reason the Committee should not accept it. The language I am offering is language which, I am informed, is already included in the proposed Senate bill, with the exception of the word "patents", and I am inclined to believe from the information at my command that that word will be included in the Senate bill as well.

Without this amendment there is not a single provision in this whole bill that says one word about what is going to happen to the large number of patents, some of them of the greatest importance, which have been taken over by the Government as a result of the taking over of patents belonging to enemy corporations during the war.

The whole question as to whether or not patents are going to be sold, for example, to the Sterling Products Co., or somebody else in the drug monopoly, is involved in this question. At least before patents are disposed of the Attorney General should be informed so that the Antitrust Division of the Department of Justice can examine the situation and can make a determination as to whether the sale of that patent will violate the antitrust laws or add unduly to monopolistic control. That is all my amendment does. It only requires that the Attorney General must be informed and that he must have an opportunity to make a statement as to whether the sale violates the antitrust laws or whether or not it would add to monopolistic control on the part of a certain corporation.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Missouri.

Mr. COCHRAN. No patents are going to be sold other than those that have been taken over by the Alien Property Custodian. Is not that right?

Mr. VOORHIS of California. Yes.

Mr. COCHRAN. Is not the Alien Property Custodian a part of the Department of Justice?



Mr. VOORHIS of California. Not so far as I know.

Mr. COCHRAN. Is it separate and distinct now?

Mr. VOORHIS of California. As far as I know.

Mr. COCHRAN. It was a part of the Department of Justice at one time. I recall it is now a separate agency under an Executive order. Does not the gentleman know they have already sold a lot of patents?

Mr. VOORHIS of California. Yes; and I am alarmed about the matter. I will say to the gentleman, very deeply alarmed about it. If it be true that he is a part of the Department of Justice, then what possible objection could there be to the adoption of my amendment?

I just cannot understand why there should be any reason in the world for opposing a proposal to get the sale of patents out into the open, where people can know what is going on. That is all this amendment proposes to do.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. MANASCO. Under the terms of the bill, the Attorney General is a member of the board, and he certainly can advise the Surplus Property Administrator if any antitrust laws have been violated, and also under the terms of the bill the Surplus Property Administrator must make reports to the Congress, so that the public will be advised.

Mr. VOORHIS of California. I understand, but I just do not believe that reports to Congress every quarter are going to be effective in taking care of the situation after the horse is already stolen. I do not know what is going to happen. I agree that my philosophy about this matter is a little different than the philosophy of some other Members. I want to prevent some of these things before they happen, not afterward. I think this amendment would be very salutary from that point of view.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. COCHRAN. I took the position in the committee that section 12 was entirely unnecessary. Section 12 provides that no part of the antitrust laws in any manner, shape, or form are set aside under the provisions of this bill. Therefore, if we are not setting aside any of the antitrust laws under the provisions of the bill, I do not think that paragraph ought to be in there, for we are not disturbing the antitrust laws.

Mr. VOORHIS of California. I understand, but my amendment is broader than that. It requires a statement on the part of the Department of Justice as to whether or not the sale of this patent would increase monopolistic control in an industry, which is a little bit broader question. I hope that the House is not going to declare, by turning this amendment down, in effect, that it does not have any concern about what is going to happen about these patents, because I warn you, Mr. Chairman, this is one of the most important single questions involved in this whole proposition

of the disposal of Government-owned property at the present time.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. WHITTINGTON. Is it not one of the policies and one of the objectives of this bill to prevent monopoly?

Mr. VOORHIS of California. That is right.

Mr. WHITTINGTON. And does not the bill state it shall not impinge upon antitrust laws?

Mr. VOORHIS of California. That is right.

Mr. WHITTINGTON. Is it not true that the difficulty with the gentleman's amendment is that it undertakes to hedge about with such technicalities the sale of a patent and thus might prevent the sale of a patent where it was desirable to do so?

Mr. VOORHIS of California. I do not think it would prevent the sale of a single patent except in the case where I do not think that patents ought to be sold to the corporation to which it is proposed to be sold. Furthermore, I will answer the gentleman's statement in this manner, as I have answered it before over and over again in connection with amendments which I have offered to this bill. It is true that the statement of policy which the committee put in the bill is to accomplish exactly the purpose my amendment would accomplish. All I am trying to do is to make as certain and as sure as I know how, that the purposes which the committee itself set before us will actually be realized.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—ayes 22, noes 36.

So the amendment was rejected.

Mr. GRANGER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: Page 36, after line 24, insert a new section as follows:

"STRATEGIC MINERALS AND METALS

"Sec. 14. All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The minerals and metals may be transferred in any form in which they are held, and they shall thereafter be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means all minerals and metals included in either group A or group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals or metals which said Board determines should be added to group A or group B, and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy deter-

mine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. Transfers under this section shall be made without reimbursement or transfer of funds except that, if the Reconstruction Finance Corporation or any of its subsidiaries is the owning agency for any property so transferred, the Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred."

(Mr. GRANGER asked and received permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, this amendment is not original with me, but it is one in which I have a very decided conviction, that it should be considered and adopted by the committee. During the period before, and during the war it seems as if we thought we were doing a great service to the country if we exploited our natural resources, and we seem to have a notion that they are inexhaustible. Some day we are going to wake up and find out that the forests we so lavishly utilized, and our soils to which we give so little attention, and the minerals in the good earth, may not be as everlasting and as inexhaustible as we have supposed. This amendment is couched in practically the same language that will be in a bill considered in another body, dealing with this same subject. In 1939, the Congress of the United States passed what we called a stock-piling bill for the accumulation of strategic and critical materials. No one knows, up to this time, how much those stock piles have been depleted and no one can tell now, should the emergency arise, where these same strategic metals and materials could be obtained. The purpose of this amendment is to make sure that should another emergency arise, as the one we have experienced, this country would not find itself entirely unprepared to meet the emergency.

I am unable to give the Committee, for security reasons, the complete list of strategic materials that have been so declared. Likewise, I am not in a position to tell the value of the surplus property that might be offered for sale, but this I do know, that the policy of maintaining a stock pile should not be abandoned. This amendment is not, and should not be considered from the standpoint of doing a favor to some favored class. Primarily it is in the interest of national security. Indirectly, it will be of assistance to the mining industry of the West, which has done such a noble job in the prosecution of the war.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MURDOCK. Does the gentleman's amendment contemplate every critical material other than the war minerals and metals?

Mr. GRANGER. The amendment only contemplates critical material and strategic metals. It is confined to metals entirely.

Mr. MURDOCK. Mining products?

Mr. GRANGER. Mining products.



Mr. MURDOCK. I am heartily in sympathy with the intent of this amendment and wish we might have more time to consider it.

Mr. GRANGER. I thank the gentleman. I had hoped that the Committee would accept this amendment. I believe it is of the utmost importance. It is important in the security of our Nation. I hope the Committee will accept the amendment. If not, I trust the membership will vote to make the amendment part of this legislation.

The CHAIRMAN. The time of the gentleman from Utah [Mr. GRANGER] has expired.

[Mr. FISH addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before I vote on the bill I want to be sure that I understand two amendments which have been adopted in the Committee of the Whole. The gentleman from Mississippi [Mr. WHITTINGTON] can tell me if I am correct in believing that under the Mott amendment which was adopted yesterday there will be no Navy surplus material sold by the Administrator, provided for in this bill, but it will have to be sold by the Navy Department itself?

Mr. WHITTINGTON. The gentleman is correct. Under the ruling of the Administrator you cannot sell surplus beans in the Navy without going through the Navy Department. Utterly contrary to every other provision of this bill.

Mr. MILLER of Connecticut. Then for all practical purposes we have taken Navy surpluses out of the control of the Administrator of this act?

Mr. WHITTINGTON. Absolutely, because the War Food Administrator may handle all other food, but not so when you come to the Navy. It has to be handled by the Navy and the Navy alone.

Mr. MILLER of Connecticut. I could hardly believe that I understood that amendment correctly but that is the way I interpreted it.

The other amendment about which I am uncertain is the Pace amendment. Could the gentleman enlighten me a little about the Pace amendment which was adopted last Friday? Under the Pace amendment can surplus bacon, for instance, or any foodstuff of any kind raised on the farm, be sold at less than parity price, or the price now being set by the Commodity Credit Corporation?

Mr. WHITTINGTON. I will answer the gentleman by saying that the members of the committee were advised that the Pace amendment really did not authorize anything to be done that was not already authorized under existing law. That is the information and advice we had from the general counsel.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. CRAWFORD. It is my understanding that the Pace amendment provides that surplus materials held by Government agencies could be sold for export at prices below parity.

Mr. WHITTINGTON. I will answer the gentleman by repeating what I said, that that amendment was submitted to the Administrator, or to his general counsel, and we were advised by him that that could be done under existing law.

Mr. CRAWFORD. Now, let us see. It is not my understanding that the present law now in force would permit Government agencies to sell these accumulated foodstuffs at prices below parity. I may be in error in that. If that is true, that is news to me.

Mr. WHITTINGTON. That is the interpretation that was placed on the bill. I can only repeat what the general counsel said.

Mr. MILLER of Connecticut. The point I was trying to get clear is that I hoped the Pace amendment would not interfere with the orderly disposal of foodstuffs that will be on hand when the war ends.

Mr. WHITTINGTON. It will be understood that it would not. For instance, to give an illustration, under the Pace amendment and under the law as it is now, only a certain amount of cotton can be disposed of per month. We were advised that that law would obtain and the Pace amendment did not change it.

Mr. MILLER of Connecticut. I am sure if it has the approval of the committee it is all right, but the chairman will recall it was passed on last Friday in the closing minutes of the session, and I was uncertain as to how far-reaching the Pace amendment would prove to be.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I have asked to extend my remarks at this point in the RECORD, on the amendment offered by the gentleman from Utah [Mr. GRANGER] because the time is fixed, and therefore no time is permissible for me on the floor of the House on this amendment. I had considered offering some such amendment myself, but hesitated to do so under the circumstances and because of the lack of time in which to consider so important and intricate a subject. Five minutes to favor such a provision as offered here is not sufficient time to indicate its tremendous importance. It should be adopted.

The purpose of the gentleman's amendment, as I see it, is to provide for stock-piling the strategic and critical minerals and metals. As he indicated to me, he does not include non-mineral or any perishable product. Now the terms "strategic and critical minerals" have a very definite meaning, as both terms have been defined by the War Department, and the most important so-called war minerals have been named and classified under these terms.

Mr. Chairman, the action we have taken today on several amendments proposed would lead one to believe that

the Members of this body do not consider that there will ever be another war involving America. Well, I hope there will never be another war, and I certainly feel that there should not be another war within the lifetime of any human being now alive. But who is going to give us that assurance? Of course, it has been said here repeatedly that this property is not surplus until it is declared surplus by the owning agency. Presumably, the War Department will see to keeping on hand a sufficient reserve for our national defense, but I can think of several kinds of this war property which will be declared surplus the moment the guns cease firing. For all present military purposes it will be surplus, and the War Department will probably so declare it, but Congress ought to look ahead in national defense, even farther ahead than the War Department is expected to do.

When the gentleman from Alabama [Mr. HOBBS] offered his amendment a while ago concerning munition plants I had a strong feeling that title in such plants should remain in the Government and some of them kept reserved as standby plants for the Nation's safety, while most of them could be turned to civilian production and leased to private operation for the production of civilian and peacetime goods.

Much depends upon the character of the property as to whether it lends itself to stock-piling, but there is no question about the indestructible elements from the earth being possible of stock-piling without deterioration or loss. Not only should we consider the effect of such stock-piling on the internal economy of the country, but we ought to profit from past blunders of dumping and not repeat them. The very worst feature of our early unpreparedness, and it had many bad features, was the lack of sufficient reserves or stock piles of these strategic and critical war minerals in 1939. True, a beginning was made in 1937, but it was not sufficient for defense needs in spite of the object lesson of the First World War; therefore, our Nation has been caught in the opening of two terrible wars lacking the very things that are used to fight modern wars. Unless this bill is amended in somewhat the way suggested by the gentleman from Utah, or unless the War Department does the thing for which it will probably be criticized by some, or unless the Administrator uses his head, we could easily be caught unprepared the third time. I do not see how you can fight a modern war without copper, zinc, steel, or manganese, and the like. But when hostilities cease there will be such a demand for these things for the production of civilian goods that industry will take every bit above ground, even though the mining industry might be able to furnish currently all that would be needed in peacetime production.

My understanding is that in copper alone we have now four or five times as much as would be called for in peacetime in a year's production. It would be "duck soup" for the fabricators in the production of civilian goods to have all this dumped upon the market and the price smashed thereby. However, it



would close down every copper mine in the country and turn these mining camps into ghost towns, as I saw them turned several years ago. Disregarding the military preparedness phase of it and thinking only of the domestic economy, such a policy would be penny-wise and pound-foolish. We must not take chances.

One gentleman criticized that Member of Congress who lets the thought of the condition of his own district govern him in such large questions. I suppose I am to be criticized then for thinking of copper. I wonder if the gentleman from New York knows where the copper comes from which is used so extensively in the manufacturing in the Northeast. Let me tell the gentleman that if he wants to make this country totally dependent upon some foreign country for this essential commodity, I know of no better way to do it than to disregard the existence of this great surplus, some of which has come from abroad under war requirements, and let it foolishly be dumped upon the market. Oh, yes; you can get cheap raw material for a while, but at what a price.

I do trust that some such provision as contained in the Granger amendment shall become a part of this enactment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The amendment was rejected.

Mr. HALE. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. HALE: On page 36, line 24, after section 13, insert a new section to read:

"Sec. 14. Disposition of airports. No airport shall be disposed of as surplus property until it has first been offered for sale or lease to the State or municipality in which it is situated and to all contiguous municipalities."

Mr. HALE. Mr. Chairman, I believe the purpose of this amendment is sufficiently clear. The airports have been constructed by the Government and they are very valuable property. It seems to me to go without saying that no airport should be cut up into house lots or exposed to the mercies of ambitious realtors until the communities in which the airport is situated and contiguous communities have had an opportunity to acquire any facilities not needed by the Government.

This situation was brought to my attention by the gentleman from New York [Mr. HANCOCK] who called attention to the fact that there is an airport in his district which the city of Syracuse might wish to acquire by lease or sale if by any chance the Government should declare it surplus property.

I believe it requires no argument to say that these airports should not be split up but should be retained as airports as long as there is any chance of any State or political subdivision thereof using them as airports.

Mr. WHITTINGTON. And there would be no inhibition against the Federal Government or Federal agencies transferring from one to the other to be maintained by them. If that is not done the gentleman's amendment contem-

plates that they may be acquired by the State or local subdivision of government before they are split up.

Mr. HALE. That is what it amounts to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

The Clerk read as follows:

Page 37, line 1:

#### "REGULATIONS"

"Sec. 14. The Administrator shall prescribe regulations to effectuate the provisions of this act. Each Government agency shall carry out regulations of the administrator expeditiously and shall issue such regulations with respect to its operations and procedures as may be necessary for that purpose. Any Government agency may issue such further regulations not inconsistent with the regulations of the Administrator as it deems necessary and desirable to carry out the provisions of this act. The regulations prescribed under this act shall be published in the Federal Register."

Mr. MANASCO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 37, line 5, strike out "regulations with respect" and strike out lines 6 and 7.

Mr. MANASCO. Mr. Chairman, the purpose of this amendment is to make it unnecessary for the departments to publish in the Federal Register every intradepartmental regulation or instruction to an employee in the field. Under the section as amended, all regulations affecting the disposal of property must be published in the Federal Register. It is feared this might include intradepartmental memoranda or instructions to field personnel.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. COCHRAN. The gentleman's amendment as I took it down reads: "Strike out regulations with respect"; and strike out lines 6 and 7. If you strike out lines 6 and 7 you go beyond the period and strike out "any Government agency may issue such."

Mr. MANASCO. It still leaves the regulations for disposal subject to publication in the Federal Register.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The Clerk read as follows:

Page 37, line 13:

#### "GENERAL PROVISIONS"

"Sec. 15. (a) Each Government agency shall submit to the Administrator (1) such information and reports with respect to surplus property in its control, in such form and at such times as the Administrator may direct; and (2) information and reports with respect to other property in its control, to such extent, and in such form as the agency deems consistent with national security.

"(b) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Administrator.

"(c) Where any property is disposed of in accordance with this act and any regulations prescribed under this act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

"(d) Any Government agency responsible for the care and handling of any property may take such action for the care and handling of such property, and for completion of any semifabricated property, as it deems necessary or desirable to effectuate the objectives and policies of this act.

"(e) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Administrator may prescribe. The information in such records shall be available at all reasonable times for public inspection.

"(f) Nothing in this act shall be deemed to impair or modify any contract or any term or provision of any contract without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

"(g) In disposing of surplus agricultural lands in the United States, former owners shall be given a reasonable time, to be fixed by the Administrator, in which to repurchase their original tracts, at a price not exceeding that paid them by the Government, except where the value of such tract has been increased by the Government. Except for the above provisions, such land shall be sold when practicable, in family-size parcels, no more than one such parcel being sold to any one family or individual, and such sale being made insofar as possible to persons who expect to live upon and cultivate such land. This subsection shall apply only to land acquired after July 1, 1940."

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 37, line 22, after the word "properties", insert the words "under this act"; and on page 37, line 24, after the word "properties", insert the words "under this act."

The question is on the amendment offered by the gentleman from Mississippi. The amendment was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 39, line 12, add a new subsection as follows:

"(g) In order to promote the orderly disposal of real property a board of classification and assignment is hereby created consisting of one representative of the Department of Agriculture to be appointed by the Secretary of Agriculture, one representative of the Department of the Interior to be appointed by the Secretary of the Interior, and one representative of the Public Buildings Administration to be appointed by the Administrator of the Federal Works Agency. The Administrator shall refer all real property declared as surplus to this board and such board shall assign such property for disposition to that Government agency which in his opinion is best equipped for the essential disposition of the property in the public interest: *Provided, however,* That land suitable for agriculture or forest development shall be assigned to the Department of Agriculture and lands suitable for grazing or the development of minerals shall be assigned to the Department of the Interior."

Mr. TABER. Mr. Chairman, a point of order.



The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not germane to this section of the bill. The only section in the bill that relates to a board is section 4 on page 27. This particular section does not relate in any way to anything of that character, nor does it create any additional agency such as is proposed to be created by the amendment.

Mr. VOORHIS of California. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. VOORHIS of California. Mr. Chairman, the section to which I seek to add this provision is called General Provisions. "General Provisions" I assume means general provisions.

In the second place there was stricken from this section a subsection (g) which had to do with the disposal of agricultural lands which was originally in the bill reported by the committee. My amendment has to do with the disposition of lands and it seems to me it belongs logically in that section of the bill where there was formerly a section appearing on the very same subject.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I am through.

Mr. WHITTINGTON. And subsection (g) was stricken for the very reason advanced by the gentleman from New York, that it had no place under "General provisions" and we are limited to the matter stated in subsections (a) and (b).

Mr. VOORHIS of California. I understood the gentleman from Texas to say it was stricken because it was the desire of the committee to make that not a mandatory provision but to put it under the policy provisions.

Mr. WHITTINGTON. Exactly; and it has no place in this bill.

Mr. VOORHIS of California. I did not understand him to so state.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that the amendment offered by the gentleman from California [Mr. VOORHIS] is not germane to the pending section and, therefore, sustains the point of order.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. I call attention to subparagraph (c) on page 38, the second subdivision.

Mr. MANASCO. Line 8?

Mr. TABER. Line 8, reading:

Be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

Mr. Chairman, that would mean if an agency sold some surplus property and the agency determined the amount was uncollectible, that would be the end of the story and no one else would have any right to protect the interests of the Government. It seems to me we should not let an agency make a determination of that kind, or one that might be so conclusive.

Mr. MANASCO. Under section 10 (a) on page 31, we authorize the sale of this property on credit, cash, or for other goods.

Mr. TABER. Why should not these things be passed on to the Comptroller General or to the Attorney General to be followed up, instead of letting the agency determine that the account is uncollectible and let them out from all responsibility? It seems to me that part of it should go out.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The purpose of this provision is not to prevent collection at all but to provide that the officer shall not be personally liable for the use of his judgment. It would not prevent the General Accounting Office from discharging its duty under existing law. This subdivision would simply relieve the officer who acts without any fraud and in good faith from personal accountability. It would not relieve the debtor from paying or the Government from collecting.

Mr. MANASCO. If the purchaser were solvent at the time of the determination, the officer would not be liable and the General Accounting Office could still force payment.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 38, line 8, strike out lines 8 to 10, inclusive.

Mr. TABER. Mr. Chairman, it seems to me ridiculous to allow an agency to determine that an account is not collectible. It is absolutely unnecessary to have this language if the regular provisions of the law permitting collection of governmental accounts should apply to that sort of thing just like everything else. I do not think we ought to have this provision in the bill which says that no officer or employee of the Government shall be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor. It seems to me it is perfectly clear that that language should go out.

Mr. MANASCO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Alabama.

Mr. MANASCO. Would the gentleman object to amending his amendment by stating on line 7 after the word "fraud" insert a period and striking out beginning with the word "or"?

Mr. TABER. Yes; I will accept that. Insert a period after the word "fraud" in line 7 and striking out beginning with the word "or" in line 7 and lines 8, 9, and 10.

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. If that language remains in the bill it would seem to me an agency would be liable for the completion of a contract that it did not make, unless the language is stricken out.

Mr. TABER. Yes. It seems to me that is necessary. I will accept the amendment.

Mr. MANASCO. And in line 6 the figure "(1)" should be stricken also.

Mr. TABER. Yes; the figure "(1)" should also go out in line 6.

Mr. WHITTINGTON. That will be included in the gentleman's amendment?

Mr. TABER. Yes.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York as amended.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 38, strike out all after the word "fraud" in line 7, down to and including the word "therefor" in line 10, and strike out the figure "(1)" in line 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 38, line 6, strike out the word "no" in line 6 and insert the word "the" and strike out the words "except for", in line 6 and insert the word "including", and strike out the word "or" in line 7 and insert the words "but shall not", and strike out the figure "(2)" in line 8.

Mr. MANASCO. Mr. Chairman, everything after the word "fraud" in line 7 has been stricken.

Mr. WICKERSHAM. Mr. Chairman, in view of the previous amendment having been agreed to my amendment should be modified and only the first part offered. It would strike out the word "no" in line 6 and insert the word "the", and it would strike out the words "except for" in line 6 and insert the word "including."

The CHAIRMAN. The Clerk will report the modified amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: Page 38, line 6, strike out the word "no" in line 6 and insert the word "the", and strike out the words "except for" in line 6 and insert the word "including."

Mr. WICKERSHAM. I had proposed to offer an amendment, including the provisions of the one offered by the gentleman from New York [Mr. TABER]. I have changed my amendment now inasmuch as the amendment offered by the gentleman from New York has been agreed to. In my opinion, the argument made by the gentleman from New York is proper.

My amendment, however, would go further and would provide that where any property is disposed of in accordance with this act and any regulations prescribed under this act the officer or employee of the Government shall be liable with respect to such disposition, and that would include any fraud on his own part.

Mr. MANASCO. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Alabama.



Mr. MANASCO. Under existing law such person would be liable for fraud.

Mr. WICKERSHAM. He would be liable for fraud; yes.

Mr. MANASCO. The effect of the gentleman's amendment would be to make it impossible to get anybody to sell this stuff, because there are going to be some losses.

Mr. WICKERSHAM. I think not. Any public official should be accountable to the public for his acts. If he acts unwisely, he should be held accountable. Any county official or any State official is held accountable, and his bond not only covers fraud but any other acts he might indulge in.

Mr. MANASCO. If there is a mistake in judgment, under the gentleman's amendment the official would be liable.

Mr. WICKERSHAM. If my amendment is adopted, we would be saying that the public official should be careful in the exercise of his judgment, and he would not likely improperly sell a \$10,000 item for \$10.

Mr. MANASCO. I do not think we would get anybody to operate under this act.

Mr. WICKERSHAM. All State and county officials do operate now under that type of bond.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. We are all fearful of what is going to happen under this program, and, in my judgment, the amendment is a good one. People should not be relieved of their criminal responsibilities under the law without a strong case being made for their being relieved, and I do not think a case has been made either in the report or in the hearings therefor.

Mr. WICKERSHAM. I thank the gentlewoman for her contribution.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

Mr. MANASCO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MANASCO: On page 38, after the period in line 3, insert "In the case of real property the form of the deed or other instrument of transfer shall be approved by the Attorney General."

Mr. MANASCO. Mr. Chairman, we have been trying all day to get the Attorney General into this picture. This simply means that the deed of transfer shall be approved by the Attorney General.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. MANASCO].

The amendment was agreed to.

The Clerk read as follows:

#### DISPOSITION OF PROCEEDS

SEC. 16. (a) All proceeds from any transfer or disposition of property under this act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided

in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling, completion of semifabricated property, and disposition or transfer.

(c) To the extent authorized by the Administrator, any Government agency disposing of property under this act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.

(e) Where property is transferred or disposed of under this act for any consideration other than legal tender of the United States, the disposal agency shall convert such consideration into legal tender of the United States as rapidly as it deems practicable, and pending such conversion, shall retain, preserve, and manage such consideration, in such manner as it deems appropriate. Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Administrator may prescribe regulations to govern the exercise of the authority granted under this subsection.

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 39, line 16, strike out the words "as miscellaneous receipts" and insert in lieu thereof the following: "to the credit of a special fund which shall be used exclusively for the reduction of the public debt."

[Mr. HERTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the financial condition of the country was such that this amendment could be carried out, I think it would be a fine thing as it would reduce the public debt. But I would like to ask the gentleman from Massachusetts, using the language of our good friend from Pennsylvania, Mr. Rich, Where are you going to get the money to pay the

expenses of the Government unless you tax the people? Remember we are going to pass laws that will cost plenty of money.

Mr. HERTER. Mr. Chairman, it seems to me we have no idea how long it is going to take to dispose of this surplus property.

Mr. COCHRAN. That is true.

Mr. HERTER. I think any prudent financing would indicate that we are going to balance our budget just as soon as the war makes it possible, and this money ought to be used then to reduce the debt. It is a bookkeeping transaction, I will admit.

Mr. COCHRAN. We are required to pay the interest on our national debt, and nobody knows how long we will have to pay that interest. On the basis of the national debt today, the interest is six billion or more a year. You are going to have to collect that \$6,000,000,000 along with additional money for additional expenses. As I have stated before, you are going to have an adjusted compensation or bonus act. On the basis of costing \$4,000,000,000 for World War No. 1, taking into consideration the number of men and women in the service during this war, that is going to amount to between twelve and sixteen billion dollars. You have many other large expenditures facing the Treasury. Where are you going to get these funds? Two ways—one by taxation, one by issuing bonds.

It seems to me you should not tie this money up in this way. It should go into the Treasury of the United States. The Congress controls the purse, and if the Treasury has the fund, the Congress can pass a law requiring a certain amount of money to apply to the national debt, or to be used for other purposes—only Congress can spend that money. We should not tie this money up in this way, because we cannot foresee what is going to happen. Business is asking for a reduction in taxes. One group wants to reduce corporation taxes away down to almost nothing. Where will the money come from to pay our expenses if we are going to reduce taxes and apply all the surplus money to a reduction of the national debt? I say it would be fine if we could do it, but the Congress would make an awful mistake to tie that money up for that one purpose. I think the amendment should be rejected.

Mr. HALE. Mr. Chairman, I rise in support of the amendment. I hope that the amendment offered by the gentleman from Massachusetts will prevail. It seems to me that the amendment represents nothing more than common honesty. The national debt of the United States was enhanced to acquire these properties, and the national debt of the United States should be diminished by the amount of the proceeds realized by the sale of these properties.

If the United States of America were a business corporation, the lien of any corporate mortgage would attach to these properties, and when the properties were sold the proceeds would be held necessarily for the reduction of the mortgage.



I am not at all troubled by the point the gentleman from Missouri makes. If we are not in a position to balance the national budget—and goodness knows the national budget ought to be balanced at the earliest possible moment—we had better do what we do now and borrow money, rather than to kid ourselves into believing that the proceeds from the sale of these capital assets represent income of the United States. That is bad book-keeping, it is bad philosophy, and it is bad government.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I want to get the gentleman's reaction to the statement of the gentleman from Missouri [Mr. COCHRAN]. It seems to me that if this Congress exercises any sanity whatsoever it will legislate in a direction which will keep the 51,000,000 payrollees on the pay rolls, earning a national income in the neighborhood of \$130,000,000,000 per annum, with a great reduction in tax rates levied against that income, and with a consequent reduction in Government outgo, and in that manner raise from \$25,000,000,000 to \$35,000,000,000 per annum through Federal taxes instead of \$48,000,000,000 as at the present time, and use at least \$5,000,000,000 of that for the purpose of reducing the Government debt. I want to say to the gentleman from Missouri that that is the source from which we will get the dollars. I join with the gentleman from Maine and the gentleman from Massachusetts in supporting this amendment. In my opinion it would be one of the greatest psychological powers the Administrator could possibly use in disposing of this surplus to the people, in saying to them that the proceeds will go to reduce the Federal debt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The Clerk read as follows:

#### USE OF APPROPRIATED FUNDS

SEC. 17. (a) Any Government agency is authorized to use for the disposition of property under this act, and for its care and handling, and for the completion of semi-fabricated property, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

(b) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this act.

#### DELEGATION OF AUTHORITY

SEC. 18. (a) The Administrator may delegate any authority and discretion conferred upon him by this act to any Deputy Administrator or Assistant Administrator, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive re-delegations of, any authority and discretion conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or, with the approval

of the Administrator, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this act.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 42, line 15, after the period insert a new subsection as follows:

"(d) Notwithstanding any other provision of this act, all authority and discretion herein conferred upon the Administrator shall, with respect to agricultural commodities and food located in the United States, its territories, and possessions, be vested in and exercised solely by the War Food Administrator."

Mr. WICKERSHAM. Mr. Chairman, this amendment provides that all authority in the disposition of surplus food shall be vested in the War Food Administrator. This is the place where this rightfully belongs. On February 29 of this year I introduced the bill H. R. 4281, not especially as a result of my own thinking but as a result of the thinking of all of the private agencies, business firms, and associations dealing with the disposition of surplus foods. H. R. 4281 had the unanimous, wholehearted endorsement of representatives of 44 types of groups interested in disposition of surplus foods. It had the endorsement of the wholesale food brokers, the retail food brokers, independents, chain-store organization, the farm bureaus, the granges, the Farmers' Union, labor, and the consumer groups. In fact, it had the endorsement of practically every group dealing with the disposition of foods.

All through these hearings it is contemplated that the War Food Administrator shall have charge of the disposition of the surplus foods, but I wish to call your attention to the fact that unless the War Food Administrator does have charge of this disposition, he will have a difficult time in administering the program for support prices. How can the War Food Administrator support these prices unless he knows how much he can dispose of, what his inventories are, what foods he has now, and what is forthcoming in the future?

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from California.

Mr. VOORHIS of California. I am sure the gentleman's amendment is well taken. I think it is perfectly evident that if the War Food Administrator does not have this whole job, he cannot live up to the commitments that have been made with regard to support prices nor can the best use of this food be made. Further, I hope we are going to write into the bill the intention of Congress, because after what happened to land and after the way land was given over to the Reconstruction Finance Corporation instead of being handled in the agencies where it should have been handled, I do not know what will happen to food unless we specifically and mandatorily place it where it is supposed to go.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. A great deal of this food is abroad. We investigated the matter and found that the War Food Administrator has no representatives abroad. They are in this country.

Mr. WICKERSHAM. My amendment applies to food located in the United States and in its Territories and possessions, and not in other countries.

Mr. WHITTINGTON. But this bill contemplates one agency to dispose of that food generally.

Mr. WICKERSHAM. The agency we are creating here cannot support the prices of farm commodities. What you and I need to fear is the fall in farm prices in the future. If these agricultural products are dumped on the market, it will injure not only the farmer but every laboring man in the country, it will drive every little cross roads merchant off the cross roads, and will destroy the economy of the entire country.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Alabama.

Mr. MANASCO. There is a provision in the bill already that we hope will prevent the dumping of any kind of a commodity that might have a bad effect on our domestic economy.

Mr. WICKERSHAM. No one knows better how to dispose of surplus agricultural commodities than the War Food Administrator, who is responsible for the production program.

Mr. MANASCO. The War Food Administration was created by Executive order, and that office may be abolished tomorrow.

Mr. WICKERSHAM. Yes; but this committee did not think so because in several instances in this bill it mentions the War Food Administrator. In fact, the committee made him a member of the board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

#### APPLICABILITY

SEC. 19. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order No. 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by regulations of the Administrator or of the agency in accordance with this act.

SEC. 20. (a) Nothing in this act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this act shall be applicable to dispositions of property within the United States and elsewhere, but the Administrator may exempt from some or all of the provisions hereof, dispositions of property located outside of the continental United States or in Alaska, whenever he deems that such provisions would obstruct the efficient and economic disposition of such



property in accordance with the objectives of this act.

Sec. 21. (a) The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This act shall not impair or affect any authority for the disposition of property under any other law, except that the Administrator may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this act, whenever he deems such action necessary to effectuate the objectives and policies of this act.

(b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; or the act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; or of section 301 of the Second War Powers Act, 1942; or of the act of March 11, 1941 (55 Stat. 31), as amended; or acts supplemental thereto, or of any law regulating the exportation of property from the United States.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: On page 44, line 5, strike out the period, insert a semicolon, and the following: "or of any criminal law of the United States."

Mr. VORYS of Ohio. Mr. Chairman, this is a remarkable bill in that although it sets up a vast, new administration with broad powers and responsibilities, we find no criminal section therein, no section with respect to penalties of any kind. I presume this would be because it was intended that the penal laws now in effect as to the disposal of Government property should continue in effect. If there is any question about that, it should be made clear by this amendment which I have suggested, which will provide that nothing in this act shall impair or affect the provisions of the criminal laws of the United States. There are, throughout this bill, some broad phrases which might be held to prevent the application of the criminal laws. Then, in section 21, with which we are dealing, there is a provision that nothing in this act shall impair the provisions of certain acts. This would imply that acts not mentioned are impaired or affected by this new law. It seems to me it would be wise, since we have provided no specific penal section, to show that we all intend that those who deal with this property on behalf of Government agencies and those of our citizens who deal with the Government agencies shall be keenly aware that there is a possibility of criminal prosecution, not only for fraud, bribery, and extortion but for the many other crimes which are set forth in the Criminal Code. We want to make it clear that this whole administration is subject to our penal laws. We do not want to put dealers in surplus property beyond the reach of our criminal laws. We bring them in by this amendment.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. GWYNNE. I think the gentleman's amendment is a good one. I would like to say I have at the Clerk's desk an amendment which will include a

criminal penalty for the violation of this act. But I think, nevertheless, the gentleman's amendment is a good one.

Mr. VORYS of Ohio. The amendment which I have offered would probably not be in conflict with the amendment of the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. COCHRAN. What assurance can the gentleman give the House that we have no law on the statute books today which might prohibit the sale of some of the articles that are declared surplus and make it a criminal offense if they did sell them? In other words, assume we have a law on the statute books which would prohibit the sale of shoes, it would be a criminal offense to sell them. And the man that sells shoes under this act would be subject to the criminal law.

Mr. VORYS of Ohio. Mr. Chairman, may I ask the gentleman, who is a member of the committee sponsoring this bill, if there is any such law, let us have the committee point it out. I am saying to you that I am assuming the committee did not intend to invalidate or nullify any criminal laws. If the gentleman is saying to me and to the Committee of the Whole that there are various criminal laws which are intended to be repealed or impaired by the law, then there is even more necessity for the amendment which I have just offered.

Mr. COCHRAN. Oh, no; the gentleman does not want to put that language in my mouth. I did not say that by any means.

Mr. VORYS of Ohio. I simply turned the gentleman's question right back to him.

Mr. COCHRAN. The fact that we do not set aside the criminal laws seems to me to make the amendment unnecessary.

Mr. VORYS of Ohio. If the gentleman has any doubt that there may be criminal laws which are superseded or impaired by the general provisions of this act, then this amendment is necessary, and if there are any criminal laws that are going to be repealed by the operation of this act, we had better have them specifically before us and see whether we want to repeal them.

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 40, noes 36.

So the amendment was agreed to.

Mr. KILDAY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 44, line 5, after the words "United States", insert the following: "Or so much of the Military Appropriation Act, 1945, as is contained in the last two provisos of the second paragraph under the heading 'Corps of Engineers'."

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the amendment follow immediately after the Vorys amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. The purpose of this amendment, Mr. Chairman, is to preserve in this bill a provision which was added to the military appropriation bill for the fiscal year 1945. That bill was adopted during the month of June of this year. On yesterday the Committee agreed to the amendment of the gentleman from South Dakota [Mr. CASE], which he said he felt would provide for this provision along with others. I am doubtful as to that because the language of the appropriation bill is in direct opposition to the language of this bill and as a matter of caution it should be adopted. That language is as follows:

*Provided further*, That notwithstanding any other provision of law, the Secretary of War shall not be authorized to sell any military post or reservation, nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post, or reservation, nor any part thereof, surplus for disposition by any other officer, board, or commission: *Provided further*, That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans or to the Navy Department.

I am sure many of you were very much surprised, as I was, to find this bill, which we had looked to as being a bill for the demobilization of the Nation, is not such a bill in fact.

When you come to the definition of "property" in this bill we find it is more inclusive than any of us could have thought of. It is:

The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located.

The mobilization of the United States began with the approval on July 2, 1940, of the act under which we gave the Army and the Navy the right to establish military locations and plants without specific authority of the Congress. It has never been the policy of this Government to permit the Army or the Navy to dispose of any military reservation or post without specific authority of the Congress. If we do not maintain this control then the military policy of the United States has passed from the hands of the Congress of the United States into the hands of the Army, the very thing we have condemned in all militaristic states—that the military policy of the Nation was determined by military men.

This amendment was agreed to practically unanimously in June, at the time the military appropriation bill was considered. It had to be unanimous because it was legislation on an appropriation bill. It was carried forward yesterday in the amendment offered by the gentleman from South Dakota [Mr. CASE]. As I say, it is contrary to the provisions of this bill, and I am afraid that this bill being later in point of time, it would control.

This bill is much broader than it has been discussed as being. Unless some provision of this kind is placed in the bill you will never again within the next 25



or 50 years have the Military Establishment, the Navy, the Veterans' Administration, or any of the others come before the Congress for anything but the salaries of their employees, because under its provision, by the simple expediency of declaring the stations which they do not want to retain "surplus" they retain the ones they want to retain, and thereby they establish their own military policy with reference to size, location, and disposition of the Army and the Navy.

Mr. SHORT. Will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SHORT. As minority member of the Committee on Military Affairs I want to say that I am heartily in favor of the amendment offered by the gentleman from Texas, and I hope it is unanimously adopted.

Mr. KILDAY. I thank the gentleman.

Mr. STEFAN. Will the gentleman yield?

Mr. KILDAY. I yield.

Mr. STEFAN. Would your amendment also refer to airports?

Mr. KILDAY. It would not specifically, unless they were within the control of the Army. This bill defines the term "owning agency" in the case of any property, as meaning the Government agency having control of such property otherwise than solely as disposal agent. Therefore, if the Army has control of it, it would apply in the event it was owned by the Government prior to the 2d of July 1940, when the expansion program began.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. I have in mind an airport which cost \$6,500,000, taking in many thousand acres of land. It has now been designated as "a stand-by field," still in control of the Air Corps of the Army. The land is being leased for food production, but the runways, and so forth, are idle. Would your amendment cover that?

Mr. KILDAY. It would depend upon when the airport was acquired. If it were acquired after mobilization began on the 2d day of July 1940, then it would be subject to be declared surplus. If owned by the Government prior to that time, if it were one of these old military reservations and posts which constituted the United States Army at the time of the declaration of war, and over which the Army could not even grant a right-of-way for a sewer or an electric line, then they would not be able to dispose of it.

I say to you we are going far enough in this bill without losing control of our military policy. Under this very bill the Capitol in which we sit, if declared surplus, could be sold without legislative authority. The White House, if declared surplus, and some of the gentlemen on my left might think that would be all right—could be sold without legislative authority, should the executive

branch of the Government declare the same to be surplus. I realize many administrative departments would like to declare this building and all of us sitting here surplus as they have done by Executive order on many occasions.

Rather than being a simple bill for the disposal of surplus war property or a demobilization bill, this bill constitutes, in fact, an authorization for the reorganization of all of the Government departments in accordance with their own desires. Every department of the Government can dispose of any property held by it, even though it be of many years standing and has no reference to the prosecution of the war. National parks, oil reserves, and every other kind of property can be sold without any interference by Congress as to price, terms, or vendee, if the owning agency of the Government declares the same to be surplus.

The foreign policy of the Nation is in the hands of the owning agency and the surplus property administrator. An air base in any foreign Nation being under the control of the Army, it is the owning agency. If the Army should declare the same surplus it is subject to be sold by the Administrator without reference to the State Department.

There is an urgent necessity for a law to permit the disposition of perishable goods, machines, machine tools, automotive equipment, and other items which deteriorate rapidly. There is no necessity for the immediate sale of real estate. Surely all of the real estate now owned by the Government should not be placed upon the market and returned to production within the 3-year limitation of this bill. We are at our maximum production without this land and the demand for agricultural products will decrease with the end of the war. If all of these thousands of acres are returned to production, we face the necessity of paying farm benefits to limit the production upon this very land.

This bill confers sweeping and unlimited powers upon an administrative agency. These powers go much further than Congress should ever permit. A reasonable approach to this problem would suggest that it be divided into three bills. One to dispose of perishable and deteriorating items quickly; one, to formulate a policy for the use, retention, and disposition of war plants, and a third to provide for the disposition of lands. The bill is fraught with much danger. I shall vote against it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(Mr. KILDAY asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. KILDAY].

The amendment was agreed to.

The Clerk read as follows:

#### EFFECTIVE DATE; EXPIRATION

SEC. 22. This act shall become effective from the date of its enactment. Unless extended by law, this act shall expire at the end of 3 years following the date of the cessation of hostilities in the present war, as proclaimed by the President or by concurrent resolution of the two Houses of Congress.

Mr. MOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday an amendment offered by me providing that authorization by Congress should be given before any naval vessels, establishments, stations or facilities were sold, leased, or exchanged, was adopted. The amendment carried a second proviso, which was quite independent from the first, that the Navy Department should be the sole disposal agency for all naval property.

I had a conference today with representatives of the Navy Department regarding this second proviso. The Navy, as you know, as well as members of the Naval Affairs Committee of the House are in accord with the first proviso of this amendment. The reasons why this provision is necessary to the preservation and security of our Navy were fully explained to the House in the debate on yesterday. However, the Navy representatives expressed the opinion to me and some of my colleagues this morning, that they would not like to assume the duty of taking care of the sales of various property of the Navy, aside from combat vessels, stations, and establishments. So I told the representatives and my colleagues that I would ask unanimous consent today to return to section 10, for the purpose of amending the second proviso of the amendment.

The second proviso of the amendment, which has nothing to do with the first proviso, reads that the Navy Department shall be sole disposal agency for all naval property. I would amend this second proviso by striking out the last three words "all naval property" and inserting in lieu thereof "naval vessels, stations, and establishments." So that the Navy would be the disposal agency for naval vessels, stations, and establishments only. The first proviso of the amendment requiring that the consent of Congress must be obtained in order to sell, lease, transfer, or otherwise dispose of vessels or stations or establishments would stand as it is.

As I stated yesterday, I think a great majority of you agree that an amendment of this kind requiring the consent of Congress for the disposal of any combat naval vessel, station, or establishment, is absolutely necessary to the preservation of our Navy. Ask any man who has studied naval policies and trends throughout the world and he will give it to you as his opinion that when this war is concluded one of the desires of foreign nations to whom we have lease-loaned ships will be to keep those ships if they can. That is what they desire, and all of us on the Naval Affairs Committee know it. Under this bill, if we do not retain this amendment so as to vest the power of disposal in the Congress, all that it would be necessary to do in order to sell or give these ships to foreign nations would be to declare those vessels which we had lease-loaned to be surplus. Then the executive agency empowered by this bill to do so could transfer them or sell them to those foreign governments without the consent of Congress.

At the conclusions of my remarks I am going to ask unanimous consent to



return to section 10 for the purpose of offering the perfecting amendments to which I have just referred. If unanimous consent is not granted and the bill is passed without the perfecting amendment, I have stated to the Department and to my colleagues that I will ask the conference committee to make them when the bill goes to conference. I should, of course, prefer to make them here. In my opinion the perfecting amendments are of no great importance, but, as stated by the Navy Department's representative, they will be of considerable convenience to the Department. They will in no way affect the first proviso of my amendment, which was adopted yesterday and which retains full control by the Congress of the disposal of ships, stations, and establishments.

If the House will give its unanimous consent to return to section 10 now, I shall offer the perfecting amendments; or I will be glad to accept a substitute offered by anyone else incorporating them.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to return to section 10, to which he offered an amendment yesterday, for the purpose of modifying the amendment.

Mr. WHITTINGTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the provision which provides that no naval property shall be declared surplus or disposed of unless declared surplus by the Secretary of the Navy was approved, and this bill was approved by the Secretary of the Navy, and his report is in the hearings of the committee.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CHURCH. With all due deference to the gentleman, I believe, in the interest of good fellowship, in the handling of this bill, the gentleman from Mississippi should not object to returning to this section. Why not let the amendment be offered as the gentleman from Oregon desires in order to perfect his original amendment? I believe it would help the passage of this bill. The gentleman from Mississippi will recall that during the hearings I was in doubt about this matter, and I asked that the chairman of the Naval Affairs Committee of the House be invited to come before us to testify. I asked several times. I was indulgent at all times during our speedy hearings. I wanted to save time. Now the members of the Committee on Naval Affairs, on which committee I had the honor of serving for 6 years, are entitled to this consideration here on the floor. I think the gentleman from Mississippi should permit the gentleman from Oregon [Mr. MOTT] to perfect his amendment.

Mr. WHITTINGTON. I answer that observation by saying that this bill provides that no property under the Navy Department can be disposed of unless it is declared surplus by the Navy Department and not by the President of the United States or by any other person.

Furthermore, I believe that under the gentleman's own admission, if there are any facilities, if there are any establishments, including airfields, airplane factories, not needed by the Navy, and declared surplus by the Navy, under the Mott amendment, they could not be disposed of except by act of Congress. There are several defects in the amendment, and the request referred to any one of them. All defects should be corrected in the request. If the request is confined to combat vessels and stations, it would perfect his amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, briefly, this is a very important matter. It is now recognized that a mistake was made on yesterday when this amendment was adopted.

Mr. MOTT. Mr. Chairman, if the gentleman will yield, the gentleman said it was agreed. Nobody agrees to that; at least I do not want to be put in the class of agreeing to it.

Mr. COLMER. Very well; then for what purpose did the gentleman desire to amend his amendment?

Mr. MOTT. I want to offer a perfecting amendment to the second proviso.

Mr. COLMER. I understand.

Mr. MOTT. Nobody objects to the first proviso; it was passed overwhelmingly.

Mr. COLMER. Then the gentleman admits that he was wrong when he put the second proviso in.

Mr. MOTT. Now the gentleman is putting words into my mouth. He must not say that.

Mr. COLMER. Very well; I do not want to get technical.

Mr. MOTT. I was making a concession by offering this perfecting amendment.

Mr. COLMER. Mr. Chairman, I decline to yield further.

The CHAIRMAN. The gentleman from Mississippi declines to yield.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I am sorry; I decline to yield further, because the time is limited, and the matter is important.

Mr. Chairman, a lot has been said here about what the Navy wanted and what the Navy did not want. I am authorized to say to you as a result of a conversation I have had with the Acting Secretary of the Navy, Mr. Bard, that the Navy is satisfied with the provisions relating to this subject as contained in the bill without any amendments. That ought to be clear, that the Navy would prefer the language of the bill. I know, of course, what is back of this. Back of this is the apprehension of somebody that the ships of the Navy will be sold to some other Government or that we are going to sell them for salvage or something of that sort; but it must be remembered that under the provisions of the bill not a single item of the Navy's property can be declared surplus except by the Navy, and, therefore, the Director under this bill would have nothing whatever to do with it; he could not sell one item of it unless it was first declared sur-

plus by the Navy. So why all this hulla-balloo about this matter?

Let me say further that if this amendment remains in the bill someone should ask unanimous consent to return and offer another amendment to do the same thing for the Army; then you would have all of it out and could just pass the bill and go home and there would not be any necessity for any Administrator or anybody else. What I am trying to say to you is that by this amendment you take out from under the provisions of the bill one-quarter, one-third, one-half, or whatever proportion it is, of the surplus property of which we are trying to dispose, whatever proportion the Navy has compared to the Army. This amendment ought to be stricken out, and when we get back into the House a separate vote will be asked on this amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the adoption of this amendment by the Committee yesterday gave me some concern and since that time I have had opportunity to give some study to the question, and also to take advantage of the hearing which the Committee on Post-war Military Policy held this morning in asking an Army witness, General Clay, what would be the reaction of the War Department if the House upon yesterday or upon any day advocated an amendment to this pending bill to the effect that the War Department should be the sole selling agent of any of its property. The response was instant and to the effect that the War Department would tremendously regret if it were saddled with the terrific job of selling at wholesale or retail the surplus property in its hands; they would infinitely prefer that such property when declared surplus should be sold by some civilian agency of the Government. They would dread establishing an enormous selling agency within the personnel of the War Department in the Army; and I could not help suspecting that the Navy Department would have the same reaction.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. For a question only.

Mr. COCHRAN. Just for a brief observation, two lines?

Mr. WADSWORTH. I yield.

Mr. COCHRAN. When the joint hearings were held General Clay told the committee that the War Department was not in position to handle any surplus property while it was fighting the war, and under no consideration did they want to handle it after the war.

Mr. WADSWORTH. The gentleman's contribution confirms what I heard General Clay say this morning. To that extent I believe we can all admit that the second provision of the amendment which was adopted on yesterday was a mistake. It was unfortunate it was done.

This discussion may all be surplusage as objection has been made to the request for unanimous consent to return to the amendment.



Another portion of the amendment has concerned me somewhat but upon this I hasten to admit I cannot speak with authority or based upon experience. The first part of the amendment offered by the gentleman from Oregon reads to the effect that no vessel, stations, establishments, or facilities of the Navy shall be declared surplus and disposed of without the consent of Congress. Obviously the objective the gentleman from Oregon had in mind was to prevent the disposal of what we know as the naval combat or important supply vessels. I visualize however the Navy as today containing hundreds of little boats or craft which might be called vessels and which probably will be sold. For the Navy to be compelled to come to the Congress every time it wanted to sell a group of yachts that have been taken over to meet this emergency, or very small patrol boats, launches, motor-driven, would place upon the Navy a tremendous task and upon the Naval Affairs Committee of the House an almost impossible task.

Mr. MOTT. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Oregon.

Mr. MOTT. For the gentleman's information I may say that only about 3 months ago the Naval Affairs Committee reported a bill authorizing the Navy to dispose of vessels up to a certain tonnage. The Congress passed that law and it is now the law of the land. If the Navy wants to dispose of further vessels of that class it may do so without any further act of Congress.

Mr. WADSWORTH. It may not do so if the gentleman's amendment is adopted.

Mr. MOTT. The gentleman should read the amendment.

Mr. WADSWORTH. It says "vessels" and it takes the place of any previous law.

Mr. MOTT. I know the gentleman wants to be fair. It says these shall not be sold or disposed of except under existing law. In cases where there is no law on the subject, the sale must be authorized by the Congress.

Mr. WADSWORTH. It is a question of construction. The way I read it the effect of this is new law and it supercedes any previous law from this point on, and if the amendment should prevail, the Navy could not sell any vessels without the consent of the Congress.

I can well understand the concern of some of the gentlemen on the Naval Affairs Committee that the Congress should interpose against the sale or surrender or sinking of any vessels of real value to the national defense. I had hoped if this thing were to be taken up in conference or on the floor of the House by unanimous consent, a limit in tonnage might be agreed on with respect to disposition of vessels in order to allow the Navy to get rid of vessels up to three or four hundred tons displacement without the consent of Congress. Of course, larger vessels should have the consent of the Congress.

Another thing that disturbed me about the amendment was the use of the word "facility." That word "facility" might cover almost anything. It might cover

a machine in a navy yard gun shop. It could not be sold then without the consent of the Congress. It might include, and I am not sure about this, radio receiving and sending stations which could not be sold without the consent of the Congress. I do not think we should get into this as deeply as that.

I had hoped that we might make no special provisions with respect to the Navy service but that it should be confined to vessels of certain types and sizes and to shore establishments.

Mr. MAAS. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Minnesota.

Mr. MAAS. The Mott amendment provides that no naval vessel shall be disposed of except in accordance with the provisions of specific law. We have authorized it by special law which came from the Naval Affairs Committee. It would seem to me that the Naval Affairs Committee of the House is more conversant with these matters and we ought to be able to deal with them better.

Mr. WADSWORTH. I may be mistaken, but my interpretation of it is different, but I do direct your special attention to the use of that word "facility."

Mr. MOTT. May I ask the gentleman another question? Agreeing with everything the gentleman has said for the sake of argument, is it not the gentleman's opinion, even though he might have some objection to certain provisions of the amendment, that it should be retained in the bill in order that we may have something to go on in the way of direction to the Navy when we get into conference between the House and Senate?

Mr. WADSWORTH. The amendment is so extreme in its second provision that I do not see how the House can accept it. I had hoped, though, that this thing could be settled in conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CHURCH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BATES of Massachusetts. Would not the gentleman favor going back by unanimous consent at this time—because this is one of the most important amendments to the bill—and attempting to perfect it in the House without going to a motion to recommit; otherwise we will retain the whole provision and go to conference on that? Would not the gentleman think that would be the orderly procedure?

Mr. WADSWORTH. That is entirely agreeable to me.

Mr. MAGNUSON. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Washington.

Mr. MAGNUSON. Of course, it was the purpose and the intent of the Committee on Naval Affairs of the House in limiting the sale of naval vessels at the time we did to combat vessels. In other words, we did not want any Secretary of the Navy or any committee, such

as the surplus property advisory committee to be able to take a combat vessel and dispose of it in any way without the consent of the Congress. I wonder if the gentleman would not be agreeable, when we go back to the amendment, to limit this to what we in the Naval Affairs Committee term "combat vessels." The word "facility" means shore establishments.

Mr. WADSWORTH. You mention shore establishments, then you use "facility" in addition.

Mr. MAGNUSON. We wanted no more scrapping of the Navy. We wanted no battleship or no combat ship to ever be disposed of in any manner by anyone except with the consent of the Congress of the United States.

Mr. WADSWORTH. I am in agreement with the gentleman that we should not permit the disposal of combat vessels, but if you are going to use the word "combat" it is pretty restrictive. How about hospital ships? How about the great supply of tankers for the Navy, and supply ships? Does the present law forbid the disposal of combat ships?

Mr. MAGNUSON. We used the word "vessels." It was understood all the time that they would only consult us on combat ships. Of course, we have over 7,000 ships in the Navy. The great bulk of the ships are auxiliaries, but the auxiliary strength of the Navy is always determined in ratio to the number of combat ships, so that would take care of the difference.

Mr. WADSWORTH. Is the gentleman sure?

Mr. MAGNUSON. I think it would.

Mr. CLASON. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Massachusetts.

Mr. CLASON. I would like to have the gentleman explain to the House whether or not this amendment or any provision in the bill, as he understands it, applies to vessels now in foreign countries under lend-lease?

Mr. WADSWORTH. My recollection is that the vessels now in possession of foreign countries under the lend-lease program are still the property of the United States.

Mr. CLASON. And under the control of the Navy Department they would come under some other provisions of the bill?

Mr. WADSWORTH. If they are naval vessels, they are under the Navy Department. If they are merchant vessels, they are under the Maritime Commission, and so on.

Mr. CLASON. Even though they are subject to the lend-lease provisions, they remain under the Navy, if they are Navy vessels?

Mr. WADSWORTH. We have lent their use only. We have never lost title to the ships.

Mr. DREWRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to call attention to something that seems to me has not been noted. The amendment of the gentleman from Oregon says:

*Provided, That no naval vessels, station, establishment, or facility shall be sold, ex-*



changed, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same.

The only thing I can find at the present time in existing law is the following:

Notwithstanding the provisions of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment to which the United States has title in whole or in part, or which has been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of, in any manner whatsoever, unless the Chief of Naval Operations in the case of naval matériel and the Chief of Staff of the Army in the case of military matériel shall first certify that such matériel is not essential to the defense of the United States.

In the next section of this act it says that the Secretary of War and the Secretary of the Navy are requested to furnish to the chairmen of the Committees on Naval Affairs and Military Affairs a copy of these contracts that they have, and further puts a limitation in which it says that nothing shall be done with reference to any contract where the original cost of such military or naval equipment, munitions, or supplies did not exceed \$2,000. It is in the hands of the Department unless it is more than that, at which time they must bring it up here.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DREWRY. Let me go on for a few moments.

The amendment offered by the gentleman from Oregon seems to me not to change this existing law. I should say this is the existing law to which his amendment applies. If that be the case, then the whole amendment is unnecessary and we could strike it all out.

*Provided further,* That the Navy Department shall be the sole disposal agency for all naval property.

I think that is wrong. I am glad the gentleman from Oregon wishes to strike it out and perfect it. I see no objection to that. I think he has perfected it when he puts in the words "all naval vessels." Nevertheless I think the whole discussion, as the gentleman from New York said, is surplusage.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DREWRY. I yield.

Mr. MOTT. May I call the gentleman's attention to the further language of the first proviso which he did not read? I agree, of course, with the gentleman's interpretation of existing law. The amendment provides that it shall be sold only under the provisions of existing law, and then it goes on to say:

And in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it.

That simply means that the vessels shall be sold under the provisions of existing law, where there is law on the subject, and indicates that where there is no law governing it, then they shall not be sold until the Congress shall by law authorize it. I see no objection to that idea, but I think the whole matter

had better be stricken out, and then the existing law would be in full force and effect.

Mr. MOTT. The existing law, in my opinion, would not cover all of it by any means.

Mr. MAAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, all that we are asking is an opportunity to perfect this amendment. I am of the opinion that the second proviso of the Mott amendment is not necessary nor really desirable in its entirety, at least. It would have the effect of setting the Navy up in the business of disposing of clothing, food, and miscellaneous items that are common to all of the agencies that will have surpluses. Such common items ought to be handled by one agency and competitively by several different Government agencies. But the first section, it seems to me, is a matter of vital importance and basic concern to the Congress. We must never again—and how many times have we heard this in the last year or two in this House?—permit the destruction of our Navy, or the reducing of it beyond the danger point. That is what our Committee on Naval Affairs, which has worked so hard for so many years to build up the Navy, wants to see assured by the House. It is merely that the composition of the American Navy shall always be in the hands of the Congress itself. No State Department agents, no diplomats, no executive official should ever be able to change by executive decree the congressional intent in regard to the size of our Navy. This strikes directly to the question of the size of our Navy, which is and ought to be authorized by the Congress, and no change should be permitted without the knowledge and authority of the Congress. That is all we are asking for in the first section of the Mott amendment.

We are now asking consent to go back and strike out the second section of the Mott amendment, which would leave the disposal of ordinary items in the central disposal agency, but naval vessels and naval shore establishments are in a different category from any other type of property that can be surplusaged. There is nothing comparable to Navy vessels and naval shore establishments, and they should be dealt with separately. Certainly the Congress should be apprised of the fact and should have to give its consent if the Navy, which has been authorized by the Congress, is to be reduced. Congress must have that information and knowledge and must give its consent, or we have lost the most important element in foreign policy, and that is the size of our Navy and naval establishments.

If the gentlemen on the right-hand side of the aisle will permit us by unanimous consent to return to that amendment, we will move to strike out the second proviso of the Mott amendment and leave in the proviso which says that before any Navy vessel or naval shore establishment shall be disposed of, that information must be reported to the Congress and such disposal must receive its approval. That is a reasonable, logical, sensible thing, and we ought not to dis-

vest ourselves of that responsibility. If that is not done, we will either have to have a fight and perhaps a roll call, and if the Mott amendment is retained in the bill we will have to try to work it out in conference and take care of it by way of compromise, or it will have to be stricken out entirely. If that is the case, I think we are assuming a responsibility in delegating our constitutional obligation of providing for the Navy of the United States and are setting a very dangerous precedent. We went through that 25 years ago. Let us not do it again.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mrs. ROGERS of Massachusetts. On what authority did the President give battleships to foreign countries?

Mr. MAAS. Under the authority of lend-lease. I am very apprehensive, may I say to the gentlewoman, that unless we pass the first proviso of the Mott amendment, not a single naval vessel that has been lend-leased to any foreign government will ever be returned to the United States. They will all be declared surplus and sold for a dollar apiece, perhaps. I think we had better put the control of the size of our Navy in the hands of the Congress, where it was intended to be.

Mrs. ROGERS of Massachusetts. Several destroyers were also turned over.

Mr. MAAS. Those were given before we had any check on it, and were given in exchange, presumably for American bases in British possessions in our hemisphere.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. MOTT. If we are not allowed by unanimous consent to go back and perfect this second proviso, and we are obliged to vote on the bill containing the amendment as written, if this amendment should be stricken out on a separate vote, is it not a fact that we would have nothing to work on in the Senate and nothing in the House?

Mr. MAAS. The gentleman is correct; then the matter is entirely out of the hands of the Congress and we have lost control of the size of our Navy.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHURCH. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHAFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHAFER. What is the parliamentary situation at present?

The CHAIRMAN. The gentleman from Minnesota has risen in opposition to the pro forma amendment.

Mr. SHAFER. What is at stake after this is all done? There has been an objection to the request to return to this amendment. What will be the result of all this argument?

Mr. MAAS. We hope to renew that request.



Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. TABER. May I point out that there is a way around this without returning to section 10 of the bill at this time, and that is by adopting the Mott amendment on a roll-call vote, if we have to, and following that with a motion to recommit which would correct that second part of the amendment. There is a parliamentary way out of it. Under those circumstances it would seem to me that it would be much better and fairer if the members of the committee in charge of the bill would permit us at this time to return to section 10.

I wonder if the gentleman from Minnesota would not make that request again, with that picture in front of us, so that we may know how to proceed and accomplish that result.

Mr. MAAS. I thank the gentleman. I will make the request when I have concluded, because I think it would be the more expeditious and the more clear-cut way of doing it.

As the gentleman from New York pointed out, we could do it by retaining the Mott amendment, and then on a motion to recommit perfect it. But you cannot debate that. I hope that there will be no objection to my request to return to section 10 and then, with full knowledge and proper discussion, perfect this amendment. I think it is very vital that the Congress retain a closer check and control over the composition of the American Navy. There is no instrument of foreign policy that even approaches the potency of our Navy. We must never surrender that by treaty or any other kind of agreement without the knowledge and consent of the Congress itself.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Would the gentleman be willing and would the author of the amendment be willing to confine the amendment to naval vessels and shore establishments, and eliminate the word "facility"?

Mr. MAAS. As far as I am concerned, I certainly would, because what we are after, of course, is the question of naval bases and naval vessels. The word "facility" was used because we called a great many naval air stations naval air facilities for convenience. We have naval air facilities that are bigger than all naval air stations in World War No. 1 put together. They are called air facilities to distinguish them from the main station, which is called a naval air station. I am perfectly willing to do that, because "shore establishment" would cover what the gentleman from Oregon and I have in mind.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Oregon.

Mr. MOTT. Is it not a fact that the word "facility" has a rather definite meaning in the Navy, and they know that a facility is not a can of beans or anything like that. The Naval Observatory is a facility and the Naval Aircraft Factory at Philadelphia is a facility.

Mr. MAAS. That is correct, but if the gentleman would agree to this amendment, "shore establishment" covers all of it, if we could perfect it to say "naval vessels and shore establishments."

Mr. MOTT. That would be perfectly satisfactory to me, because in most cases the facility and station are synonymous.

Mr. MAAS. I know that high officials in the Navy who are dealing with these problems are not opposed to the first proviso of Mr. MOTT's amendment. They agree with us, that the Navy is in a far sounder position in having the Congress in partnership with them in the matter of these major disposals where national and congressional policy are involved, such as the disposition of naval vessels and naval bases.

The Navy will avoid future criticism and the possibility of scandal if the Congress itself approves of its major disposals.

On the larger side of the question, we must not permit any peace conference delegation, nor any President, to use our Naval Establishment as part of the bargaining in international settlements without the full knowledge and consent of the Congress. Certainly no one must be permitted to trade any of our combatant vessels, nor surrender any of our hard-won naval bases, for any consideration without the consent of the American people through their Congress.

Let us perfect, but by all means, let us retain the Mott amendment.

(Mr. MAAS asked and was given permission to revise and extend his remarks.)

Mr. MAAS. Mr. Chairman, I ask unanimous consent to return to section 10 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTINGTON. Reserving the right to object, Mr. Chairman, when this amendment was before the Committee of the Whole there was a discussion and opposition on the part of the committee. It was emphasized that under the terms of this amendment the language "no facility or establishment" would prevent the disposal of any of the surplus properties and plants in many parts of the country. The gentleman from New York [Mr. WADSWORTH] mentioned one of the best illustrations that was submitted to our committee. It was said that before a single one of the yachts could be disposed of that were acquired when individuals came trooping to the Navy Department to offer them to the Navy, a special act of Congress would have to be passed under the Mott amendment. He does not propose to correct the objectionable provisions of his amendment. I opposed his amendment when proposed, and I oppose it now.

Nor is that all, Mr. Chairman. When this amendment was pending, after this committee had modified section 7 of the original bill to provide that neither the Army nor the Navy should have any of its property disposed of unless the Army and unless the Navy declared that property to be surplus, the chairman of this committee, in order to make certain and definite that no combat vessel would be

disposed of, in order to make certain that the House stood, as I stand, for a big Navy, and in order to make certain that not a vessel of any type that was needed in the big Navy would be disposed of, offered a substitute for the Mott amendment, and that substitute provided that, and I quote:

No vessel under the control of the Department of the Navy shall, unless the Secretary of the Navy has found such vessel not to be a combat ship or a naval auxiliary, or has found it to be based on commercial design or susceptible of commercial usage, be disposed of under this act until the expiration of 30 days after notice of the proposed disposal of the vessel has been sent to the Committee on Naval Affairs of the Senate and the Committee on Naval Affairs of the House of Representatives.

The substitute was rejected, and the Mott amendment, now admitted to be objectionable, was adopted.

In a word, Mr. Chairman, your committee, before it reported this bill, was advised that the great surpluses that were to be disposed of, were not the surpluses that would cripple the Army and were not the surpluses that would cripple the Navy, but were the surpluses that the Army and the Navy would declare to be surpluses. This simple request to go back and remove one objectionable feature does not go to the heart or other objectionable provisions of the amendment. It leaves the facilities and establishments in the amendment. These words are also objectionable. The amendment should be fully perfected or voted down in the House.

Therefore, Mr. Chairman, I object to the request.

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On page 44, line 11, after "or," insert "at an earlier date if such date be designated."

Mr. SUMNERS of Texas. Mr. Chairman, this proposed amendment is to make this act terminable upon the passing of a concurrent resolution by the two Houses of Congress specifying a time determined by them for its termination, shorter than that now fixed by the provisions of the bill. It is constitutional and is in line with sound governmental policy in connection with this sort of legislation. This is emergency legislation, extraordinary legislation. The Congress is retaining certain supervisory powers with reference to the disposition of these billions of dollars' worth of public property, but of necessity there is a delegation of tremendous power to the executive agencies of the Government. It is close akin to the war powers which the Congress has been granting.

In the long history of Anglo-Saxon governments peoples have granted these emergency powers to deal with emergency situations. By that procedure they have been able affectively to fight their wars, by giving to their government the necessary strength and rapidity of motion. At the same time, by retaining the power to control the exercise of these extraordinary powers and to terminate them, they have been able to avoid long periods of dictatorship. It is



one of the most interesting phenomena to be observed in the examination of the behavior of the people, who constitute a democracy. They seem instinctively to sense the existence of a crisis, requiring this increase of the power of government and making its machinery susceptible of a rapidity of motion which their institutions, functioning normally, cannot provide.

Speaking generally they have had the genius while doing this to retain—and we should retain in our agency of Government, conferring these extraordinary powers with us the Congress—the power to control their exercise if necessary, and the power to terminate them when the emergency shall have ended or when, in the judgment as with us of the two Houses of Congress, the power should no longer be exercised. By that procedure they have been able to defend themselves against dictatorial governments seeking their conquest and have escaped long periods of dictatorial government of their own.

This proposed amendment is not only in line with that sound public policy, but as stated, it is not open to objection on constitutional grounds, as some people assert. It does not propose to authorize a repeal of the existing law by concurrent resolution of the two Houses of Congress. If adopted, the proposed amendment would become a provision in the structure of the law, a part of the law, agreed to by all the agencies of Government which participate in legislation. The provision would be in the law that upon the happening of an incident or contingency specified in the law, namely this concurrent resolution of the two Houses of Congress, the law itself should terminate by its own provision.

Not only should this character of control be retained with regard to this type of legislation conferring great discretionary powers with reference to the disposition of billions of dollars' worth of public property affecting directly or indirectly practically every individual and every business in the country, but the Congress and the country should be fully impressed with the extraordinary and dangerous character of this type of legislation, to be got rid of as soon as possible when the emergency shall have ended.

The Houses of Congress in connection with these grants of extraordinary emergency power should retain, as a matter of public policy, the power to control within the limits of their capacity and time, and the power to terminate, as their judgment and sense of duty may require. That retention is no indication of lack of confidence in the administrative agency. It is merely the nonsurrender of that which in the public interest they ought to retain.

Mr. MOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of announcing to the House that inasmuch as the unanimous-consent request to return to section 10, for the purpose of offering the perfecting amendment which I have suggested, has been object-

ed to, I intend, if consent be still refused, to offer a motion to recommit this bill with instructions to report it back with the amendment we adopted yesterday and to include in that amendment the two perfecting amendments that have been suggested here on the floor. One is to confine the scope of the Navy Department as a disposing agency to naval combat vessels and stations, and the other is to eliminate the word "facility." A motion to recommit with instructions to bring back the bill so amended will be made. I had hoped the amendments might be made here on the floor by consent, but if they cannot then they will be offered by way of a motion to recommit.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. With respect to the amendment offered by the gentleman from Texas I detain the Committee to say that it presents, as your Committee was advised, a very serious constitutional question. As the gentleman from Texas has stated, if you have the bill before you, on page 44, it would change this bill so that having given 3 years for the execution of the objectives and policies of the bill, Congress might provide by joint resolution of at least doubtful constitutionality, for its earlier termination and thus involve the constitutionality of the act. It strikes me that as a general law, where the Administrator may be removed at any time, we ought not jeopardize the fundamental objectives and policies of this act by a provision of doubtful constitutionality. The remedy is, if we are not satisfied with the Administrator, for the Chief Executive, whoever he may be, to remove him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 74, noes 35.

So the amendment was agreed to.

Mr. GWYNNE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE: On page 44, after line 12, add a new section as follows:

"PENALTIES

"Sec. 23. (a) Whoever with intent to defraud the Government of the United States, shall knowingly and willfully violate any of the provisions of this act shall be fined not more than \$5,000 or imprisoned not more than 5 years, or both.

"(b) If two or more persons, with intent to defraud the Government of the United States, enter into any agreement, confederation, or conspiracy to violate any provision of this act, and do any overt act toward carrying out any such unlawful agreement, confederation, or conspiracy, such person or persons shall be fined not more than \$5,000 or imprisoned not more than 5 years, or both."

Mr. GWYNNE. Mr. Chairman, although this act lays down a very definite course of conduct in the disposal of property, there are no penalties in the act. It is true it refers to or incorporates certain other laws in which pen-

alties are provided. Those penalties would not cover all of the violations which might occur if this should become law. For example, you might have this situation, several people might conspire with an officer of the Government and the result might be that a million dollars' worth of property might be sold for a paltry sum. It is true that persons who have been guilty of fraud might be liable in a civil action. Furthermore the Government might bring an action to recover the property thus sold by fraud. But if it had passed into the hands of a bona fide purchaser that remedy would be unavailable to the Government. This amendment if adopted would not permit any penalty being imposed upon an innocent person. It would not penalize anyone for a mistake, no matter how stupid the mistake might be. It simply provides that any person who violates any provisions of this act and does it with the deliberate purpose of defrauding the Government may be punished in this manner.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment. I detain the Committee to say this in response to the amendment offered by the gentleman from Iowa, that the Committee went into the matter of penalties and, as we have stated during the general debate, this is not a bill like the renegotiation or reconversion bill, where there are individuals and other agencies outside of the executive departments being utilized, but this is a bill which deals with the executive agencies of the Government, and we are advised that no penalties were necessary and that if there were any violations of the law in connection with the administration of the act, that existing criminal statutes were ample. We see no occasion for the amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MICHENER. Is it not the best philosophy always to write into every law everything that may plainly be accomplished under the law? This amendment can do no harm. It can only make clear that which the gentleman from Mississippi has suggested does exist, provided that search is made of the 100 other laws containing penalties now in force.

Mr. WHITTINGTON. Mr. Chairman, I have high regard for the gentleman. I would not put my legal ability against his or against the legal ability of the gentleman from Iowa. If this one criminal penalty provision is placed in this bill with one penalty, it might restrict and prevent the operation of other penalties. On the other hand, we are advised that all statutes would be applicable to the applicable cases and I do not want to restrict the application of all criminal statutes now in force, to the one statute proposed by the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.



The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SHORT TITLE

SEC. 24. This act may be cited as the "Surplus Property Act of 1944."

The CHAIRMAN. The question now recurs on the adoption of the committee substitute.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants and for other purposes, pursuant to House Resolution 620, reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Under the rule, also, the substitute being considered as an original bill, any Member may ask for a separate vote on any amendment to the substitute.

Is a separate vote demanded on any amendment?

Mr. MANASCO. Mr. Speaker, I ask for a separate vote on the so-called Mott amendment.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 31, line 22, after the word "proper", change the period to a colon and insert the following: "Provided, That no naval vessel, station, establishment or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility, shall be made unless the Congress by law shall authorize it: *Provided, further*, That the Navy Department shall be the sole disposal agency for all naval property."

Mr. MAGNUSON. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to submit at this time a substitute for the Mott amendment.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. MAGNUSON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the substitute?

Mr. MAGNUSON. I shall be glad to read it. The amendment as proposed by the gentleman from Oregon reads as follows:

*Provided*, That no naval vessel, station, establishment, or facility shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any naval vessel, station, establishment, or facility shall be made unless the Congress by law shall authorize it.

My proposal is to substitute an amendment which would read as follows:

That no combat naval vessel, station, or establishment shall be sold, leased, transferred—

And the same perfection in line 2, changing the words to "no combat naval vessel, station, or establishment shall be sold unless the Congress by law shall authorize it."

Mr. WHITTINGTON. I ask the gentleman to read the amendment.

Mr. MAGNUSON. I will read the amendment in full.

Mr. MARTIN of Massachusetts. Has the gentleman read his full proposal?

Mr. MAGNUSON. I will read it in full. I was simply explaining it, to show the changes that would be effected.

The amendment would read:

*Provided*, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it.

Mr. MAAS. Is the second proviso dropped out?

Mr. MAGNUSON. I also propose to strike the second proviso of the Mott amendment.

Mr. MOTT. Reserving the right to object.

Mr. MAGNUSON. I have not had a chance to write this yet.

Mr. MOTT. It was my understanding when I agreed to the language the gentleman has just read that there would also be a modification of the second proviso.

The SPEAKER. If the gentleman from Washington, is allowed to offer a substitute, it would take everything out of the Mott amendment that is not included in the substitute.

Mr. MOTT. If the gentleman will just read on, it is all written there.

Mr. MAGNUSON. The second proviso reads:

*Provided further*, That the Navy Department shall be the sole disposal agency for such naval property.

Mr. MOTT. For naval combat vessels or stations.

Mr. MAGNUSON. Naval combat vessels, stations, or shore establishments.

Mr. MOTT. Reserving the right to object, the gentleman and I have agreed upon this language as a substitute for the original amendment, and as far as I am concerned, it is perfectly satisfactory to me, and I hope the House will adopt it.

Mr. WHITTINGTON. Mr. Speaker, I ask that the amendment be reported by the Clerk in the usual course.

Mr. MAGNUSON. I was simply trying to explain the basis. I shall now, with the permission of the House, read the full amendment as agreed to by the gentleman from Oregon.

The SPEAKER. The gentleman is now reading what he intends to offer as a substitute if he receives unanimous consent to do so; is that correct?

Mr. MAGNUSON. That is correct, Mr. Speaker.

*Provided*, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred, or otherwise disposed of except in accordance with the provisions of existing law specifically authorizing the same; and in all cases where such transactions have not been so specifically authorized, then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all such combat vessels, stations, or establishments.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. MAGNUSON]?

Mr. COLMER. Mr. Speaker, reserving the right to object, I understood the gentleman from Washington [Mr. MAGNUSON] and the gentleman from Oregon [Mr. MOTT] when this matter was being perfected, to say that the second section shall be left out entirely.

Mr. MAGNUSON. It was my purpose in talking with the gentleman from Oregon [Mr. MOTT] to limit the disposal by the Navy Department only to such combat vessels, establishments, and shore stations.

Mr. COLMER. Then as I understand the gentleman, the second provision of that amendment would have no effect except for the sale of those combat vessels?

Mr. MAGNUSON. Combat vessels, shore establishments, or stations. All this does is to limit the Mott amendment to combat vessels, shore establishments, and naval stations.

Mr. WHITTINGTON. Mr. Speaker, reserving the right to object, I think the matter has been very materially improved by the language suggested by the gentleman, but I have this question to ask: Having eliminated "facilities," I am wondering as to the meaning of the word "establishment." Would that include various air fields that have been established by the Navy Department in the interior, some of which have been offered for sale? I have in mind the field we voted on just before we took the recess in the latter part of June, the field located in Oklahoma. I am wondering if the term "establishments" would embrace such properties as that, and would also embrace plants, the small plants that have been established by the Defense Plants Corporation for the Navy.

Mr. MAGNUSON. I do not think naval interpretation of this language would include those items.

Mr. WHITTINGTON. Would it include aircraft factories that have been



established, if any such have been established by the Navy Department?

Mr. MAGNUSON. I do not believe it would include that, in naval interpretation.

Mr. WHITTINGTON. I withdraw my reservation of objection.

Mr. HARRIS of Virginia. Reserving the right to object, in order to keep the record straight, does the term "combat vessel" include tankers, supply ships and hospital ships, or does it include that type of vessel?

Mr. MAGNUSON. It excludes that type of vessel unless the department should determine in ratio to the combat vessels that they were a part of a task force. That takes care of itself, because the auxiliary strength in a navy is determined in ratio to its combat ship strength.

Mr. HARRIS of Virginia. But this amendment does not protect the disposition of tankers and auxiliaries?

Mr. MAGNUSON. No; it does not intend to. We are concerned with keeping up the combat strength.

Mr. HARRIS of Virginia. But you cannot keep it without tankers and auxiliaries.

Mr. MAGNUSON. But those are determined in ratio to the combat vessels. Mr. MAAS. They would have to be surplus over our combat vessels.

Mr. MAGNUSON. That may or may not be. The Navy would determine that.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. BATES of Massachusetts. Under the bill passed by the House in June, we authorized the Secretary of the Navy to dispose of all vessels that he did not need in the naval service, under 1,000 tons. That is the present bill now resting in the Senate. That includes all tankers and what are called auxiliary ships.

Mr. MAGNUSON. That is correct.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. CUNNINGHAM. The G. I. bill of rights which the Congress recently passed authorized the Veterans' Administrator and the Secretary of the Navy to enter into an agreement for the transfer of hospital facilities. Would the term "establishment" include a naval hospital in this country?

Mr. MAGNUSON. It might, depending on what the Navy wanted to call it.

Mr. CUNNINGHAM. Then this would put a limitation on the G. I. bill of rights?

Mr. MAGNUSON. No; it would leave it in effect.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I offer a substitute amendment.

The Clerk read as follows:

Substitute offered by Mr. MAGNUSON for the amendment on page 31, line 22, after the word "proper" change the period to a colon and insert the following: "Provided, That no combat naval vessel, station, or establishment shall be sold, exchanged, leased, transferred or otherwise disposed of except in accordance with existing law specifically authorizing the same and in all cases where

such transactions have not been so specifically authorized then no sale, exchange, lease, transfer, or other disposition of any combat naval vessel, station, or establishment shall be made unless the Congress by law shall authorize it: *Provided further*, That the Navy Department shall be the sole disposal agency for all such combat vessels, stations, or establishments."

The SPEAKER. The question is on the substitute.

The substitute was agreed to.

The SPEAKER. The question is on the amendment as amended by the substitute.

The amendment as amended by the substitute was agreed to.

The SPEAKER. The question is on the committee substitute to the bill.

The committee substitute was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. POULSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. POULSON. I am in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POULSON moves to recommit the bill H. R. 5125 to the Committee on Expenditures in the Executive Departments with instructions to report the same back forthwith with the following amendments: Strike out all of section 3 from line 23 on page 25 to and including line 4 on page 27 and insert in lieu thereof the following:

#### "SURPLUS PROPERTY BOARD

"Sec. 3. (a) There is hereby established in the Office of War Mobilization and Reconversion a Surplus Property Board, which shall be composed of eight members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$10,000 per annum, and shall serve for a term of 2 years. In the selection of members of the Board the President shall give due consideration to the various geographic areas and economic interests of the Nation. The Board shall elect one of its members as chairman. In their deliberations the Board shall take into consideration the interests of all economic groups such as consumers, industry, agriculture, and labor. In case of a tie vote the Director of War Mobilization and Reconversion shall have a deciding vote. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. The Board shall determine all matters of policy relating to the administration of this act.

"(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the Chairman of the Board to advise such Mem-

bers of all general or special meetings of the Board.

"(c) The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct and shall receive compensation at the rate of \$10,000 per annum. The Board shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy administrative directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. All such deputy administrative directors and other officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended. The Board shall, where practicable, perform the duties imposed upon it through the personnel and facilities of other Government agencies."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PLOESER) there were—ayes 38, noes 142.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to recommit was laid on the table.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill the Clerk be directed to make the necessary changes in sections, subsections, paragraph, subparagraph, and clause numbers and letters with reference thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### GENERAL LEAVE TO EXTEND

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### PAY AND ALLOWANCES FOR TEMPORARY MEMBERS OF COAST GUARD RESERVE DURING PERIOD OF DISABILITY

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3704) to provide pay and allowances for temporary members of the Coast Guard Reserve during periods of disability resulting from injuries sustained or disease contracted in active service during the present war, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not for I believe this is a meritorious bill, but will the gentleman from Virginia explain it for the benefit of the membership?

Mr. BLAND. The bill has the unanimous support and endorsement of the Committee on the Merchant Marine and



Fisheries and a favorable report from the Navy Department and the Coast Guard and from the United States Employees' Compensation Commission. The purpose of the bill is to take care of injuries and deaths of those men who are employed as temporary reservists and auxiliaries in the Coast Guard, men who are working for no compensation and who died and received no money. This would bring them within the operation of the Employees' Compensation Commission. It also provides paying for vessels that have been used as auxiliaries by the Coast Guard and have been lost.

The injury must be in line of action. These men have been called in by the Coast Guard in line of action and they have gone in there and served without pay.

Mr. MARTIN of Massachusetts. These are patriotic volunteers and the gentleman wants to give them the same compensation a regular would receive?

Mr. BLAND. Absolutely.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That temporary members of the Coast Guard Reserve shall receive the pay and allowances of their respective ranks, grades, or ratings, during any period in which they are unable to carry on their regular vocations by reason of injuries sustained or disease contracted in active service in the Coast Guard Reserve during the period beginning December 7, 1941, and ending on the date of the termination of hostilities in the present war, as proclaimed by the President. Members of the Coast Guard Auxiliary who are not temporary members of the Coast Guard Reserve shall be paid an allowance of \$6 per day during any period in which they are unable to carry on their regular vocations by reason of injuries sustained or disease contracted on active duty as members of the Coast Guard Auxiliary during the period beginning December 7, 1941, and ending on the date of the termination of hostilities in the present war, as proclaimed by the President. Any such temporary member of the Coast Guard Reserve or member of the Coast Guard Auxiliary suffering such disability on or after December 7, 1941, but prior to the date of enactment of this act, shall be paid in a lump sum, within 60 days after the date of enactment of this act, the pay and/or allowances which he would have received under this act if this act had been in effect on and after December 7, 1941.

Sec. 2. The last sentence of section 212 of the Coast Guard Auxiliary and Reserve Act of 1941, as amended (U. S. C., 1940 ed., supp. II, title 14, sec. 312), is amended to read as follows: "Any temporary member of the Reserve, or any member of the Coast Guard Auxiliary who is not a temporary member of the Reserve, who sustains injuries or contracts sickness or disease while performing active duty shall be furnished hospital care, including medical treatment, at any institution operated by any department or agency of the Government, or, if no such institution is available, shall be reimbursed for all expenses incurred for hospital care in private institutions, medical treatment, and nursing care. In addition, any such temporary member of the Reserve or member of the Auxiliary shall be reimbursed for all necessary expenses incurred as a result of his injury or illness."

Sec. 3. Section 1 of this act shall cease to be in effect 6 months after the date of

the termination of hostilities in the present war, as proclaimed by the President.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 212 (55 Stat. 12), as amended by the act of November 23, 1942 (56 Stat. 1021; 14 U. S. C., Supp. III, 312), of the Coast Guard Auxiliary and Reserve Act of 1941, as amended, is further amended to read as follows:

"Sec. 212. (a) In case of physical injury or death resulting from physical injury—

"(1) to any temporary member of the Reserve when incurred after February 19, 1941, in line of duty as a member of the Reserve, while on active duty or engaged in authorized travel to or from such duty; or

"(2) to any member of the Auxiliary not on active duty as a member of the military or naval forces, when incurred after February 19, 1941, while on Coast Guard patrol pursuant to the request of competent Coast Guard authority, and which would have been incurred in line of duty in the active service had he been a member of the Reserve acting under competent orders;

the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916 (5 U. S. C., ch. 15), as amended, subject to the other subsections of this section, shall apply, and such act shall be administered by the United States Employees' Compensation Commission (hereinafter called the Commission) in the same manner and to the same extent as if such person were a civil employee of the United States and were injured while in the performance of his duty: *Provided*, That for benefit computation, regardless of pay or pay status, such person shall be deemed to have had monthly pay of \$150.

"(b) This section shall not apply in any case coming within the purview of the workmen's compensation law of any State, Territory, or other jurisdiction because of a concurrent employment status of such member; and where such member or dependent should be entitled to a benefit under this section and also to any concurrent benefit from the United States on account of the same disability or death, such member or dependent shall elect which benefit he shall receive.

"(c) Whenever a claim is filed with the Commission for benefits because of an alleged injury or death within the purview of this section, the Commission shall notify the Commandant and he or his designee shall investigate the facts surrounding such alleged injury and make certification with respect thereto, including certification as to such injured or deceased person's membership in the Reserve or Auxiliary and his military status, and whether the injury or death occurred in line of duty or while on Coast Guard patrol pursuant to request of competent Coast Guard authority. Such certifications shall not excuse the making of such reports as are required by such act of September 7, 1916.

"(d) Notice of injury and any claim for benefits on account of disability or death within the purview of this section which occurred prior to the enactment of this amendment, may be received as timely filed, if filed within 1 year from the date of the approval of this amendatory act.

"(e) In case of physical injury incurred, or sickness or disease contracted (1) by any temporary member of the Reserve while performing active Coast Guard service, or (2) by any member of the Auxiliary not a regular or temporary member of the Reserve, while performing active Coast Guard patrol service pursuant to request of competent

Coast Guard authority, such person shall be entitled to receive the same hospital treatment as is afforded members of the Regular Coast Guard."

"Sec. 2. Section 8, as amended by the act of June 6, 1942 (56 Stat. 329; 14 U. S. C., Supp. III, 267), of the Coast Guard Auxiliary and Reserve Act of 1941 as amended is further amended by adding at the end thereof the following: 'Appropriations of the Coast Guard shall also be available for the payment for constructive or actual total loss occurring after March 1, 1942, of any motorboat or yacht utilized pursuant to section 6 of this act, where it is determined under regulations prescribed by the Commandant that responsibility for such loss rests with the Coast Guard.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The bill was amended so as to read: "A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended."

#### EXTENSION OF REMARKS

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short article.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. WEAVER]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include some remarks made at graduation exercises at Salinas, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCANLON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial which appeared in the Pittsburgh Post-Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by Capt. Kenneth C. Bradley, national insurance officer for the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial and a newspaper



## M. V. A. GOES TO THE SENATE

This day—Friday, August 18—may prove to be a momentous one in the history of the Missouri Valley. On this day, Senator MURRAY of Montana introduced into the Congress of the United States a bill for the creation of a Missouri Valley Authority.

The sweep and grandeur of this legislative proposal is to be measured in terms of the 7,000,000 human beings it affects, and the vast territory of 530,000 square miles—more than 17 percent of the area of continental United States—that it embraces.

In his speech to the Senate today, Senator MURRAY correctly said that "the full development of resources proposed under this bill might well rank as the most important national development since the Louisiana Purchase, of which much of this territory was a part."

The purpose of the Murray bill—which, of course, was modeled after the Tennessee Valley Authority, now in its twelfth year—is to provide one unified authority over the Missouri River. It is one big plan for one big river.

The bill is designed to prevent floods, which, in the past 2 years alone, have caused damages of more than \$100,000,000; to irrigate the arid upriver country and reclaim millions of acres for cultivation; to promote navigation; to foster commerce among the States; to strengthen the national defense; to conserve water, soil, and forest resources; and to promote the general welfare of the United States.

In his speech of introduction, published elsewhere in this newspaper today, Senator MURRAY made a masterful presentation of the case for an M. V. A. He told how, after generations in which rival and competing Government agencies and bureaus have futilely tried to solve the river's problems piecemeal, it has now become necessary to consider the river as a whole under the new techniques and scientific management which have proved so successful in the Tennessee Valley.

He told how floods have devastated millions of acres of farm land, how the water table has been lowered, how soil has been washed away, how lands athirst for water in the upper river have been denied it. He expressed the yearning of the people along the river's 2,470 miles when he said that they want the waters of the valley husbanded; the floods controlled; navigation for cheap transportation; the use of the river to provide electric power for homes, farms, and industry; the basic resource of soil fertility protected; the development of industry; the arid and semiarid lands of the upper river made rich and productive.

When President Roosevelt asked Congress to create the T. V. A., he said:

"If we are successful here (in the Tennessee Valley), we can march on, step by step, in a like development of other great natural territorial units within our borders."

The pilot plant that is T. V. A. has been successful beyond the dreams of the President or of the venerable Senator Norris, known as the father of T. V. A. It has redeemed a region which was crumbling to ruin and has made it one of the model territories of the country, to the point that the principles it embodies have now been given world-wide implication. What has been done for the Tennessee River can be done for the Danube, the Amazon, and the Yangtze-kiang.

And what has been done in the way of unified management of the Tennessee's waters can be done for the Missouri.

Senator Murray's bill, of course, will have its enemies. There always are obstacles to progress and reform. There always are those who stubbornly oppose new ideas and new principles. But his proposal is so sound, so good, and so promising, so majestic in its scope that sooner or later, it must prevail.

## Disposal of Surplus Government Property

## SPEECH

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

Mr. MILLER of Connecticut. Mr. Chairman, this is the amendment to which I referred last Wednesday. I have spoken with several Members of the House and some members of the committee. I hope the Committee can see its way clear to accept the amendment. At least let it go to conference. I do not contend that the language is perfect. It may need some revision, particularly with reference to the phrase, "all war veterans." But I am sure the committee has no disposition to do anything to prevent the twelve or fifteen million men and women now serving in the armed forces or who will have served before the war comes to an end, an opportunity to buy this surplus war material at a fair and reasonable price.

Last Wednesday three soldiers came down from the gallery, men not known to me, and called me off the floor to discuss the possibility of their buying a plane when the war was over. They are saving their money for that purpose. There will be planes sold that have never been flown except for a test flight. After the last war there were planes sold which had never been taken out of the crates. I do not know of anybody I would rather see get the benefit of such purchases than these men who have been flying our war planes and using our war material.

There are millions of dollars of other equipment that can be sold through the existing P. X. stores. This amendment, like all other policy amendments, is not binding. If when the war comes to an end and the P. X. stores are reduced in number and it is not feasible to continue the sale of surplus material through those stores, then, of course, it would be within the discretion of the Administrator to cut out that type of sales.

Mr. FORAND. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. FORAND. I am happy to go along with my friend from Connecticut, because last week three soldiers, members of the Corps of Engineers who had just returned from overseas, were very anxious to obtain some roadbuilding equipment, because they wanted to go into the road-building business after the war.

Mr. MILLER of Connecticut. I realize the committee has that in mind, because section (C) says "to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises."

In addition to that, there are millions of dollars of equipment, the finest cam-

eras in the world, binoculars, and flying equipment. Members of the House who were in the last war know that the only way you could secure that material which you had used was, to put it bluntly, to steal it.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WICKERSHAM. Would the gentleman accept an additional amendment to include one other sentence to read "where feasible veterans shall be given preference?"

Mr. MILLER of Connecticut. Veterans are covered in the bill already.

Mr. WICKERSHAM. It says afford an equal opportunity. Would the gentleman accept an amendment stating where feasible the veterans shall be given preference?

Mr. MILLER of Connecticut. I would not want to make it mandatory. There may be cases where it would not be possible.

Mr. WICKERSHAM. I said "where feasible."

Mr. MILLER of Connecticut. Where feasible; yes. Of course, that is covered in section 11, policies, "to the extent feasible."

Mr. WICKERSHAM. But under section 11 it says they shall be afforded equal opportunity. I wanted to give them preference, if possible.

Mr. MILLER of Connecticut. If it could be worked out; yes.

Mr. FORAND. Will the gentleman yield again?

Mr. MILLER of Connecticut. I yield.

Mr. FORAND. Does not your amendment provide they can purchase single units?

Mr. MILLER of Connecticut. Yes.

Mr. FORAND. That is not provided anywhere else in the bill.

Mr. MILLER of Connecticut. That is true. I do not think it is going to be difficult to establish single unit prices. If they sell a thousand binoculars at a given price, say \$4 each, then they can be sold at the P. X. stores for \$4. Nobody wants to profit from the men in our armed forces.

Mr. ALLEN of Louisiana. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. ALLEN of Louisiana. The gentleman's amendment does not go quite as far as I would like. I am happy to go along with him, however.

Mr. MILLER of Connecticut. It will make it possible for the servicemen to get that jeep to send home to his father anyway.

Mr. BLAND. Will the gentleman modify his amendment to add "including seamen"?

Mr. MILLER of Connecticut. I did not insert it.

Mr. BLAND. But I ask the gentleman if that can be inserted in his amendment.

Mr. MILLER of Connecticut. Anybody can offer such an amendment; I did not insert it. My amendment merely read:

Army, Navy, Marine Corps, and all veterans of the armed forces.



Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. STEFAN. Will this include veterans of the First World War?

Mr. MILLER of Connecticut. My answer would be that it would. That is why I expressed the hope that the Committee would accept the amendment without further discussion, let it be ironed out in conference. I believe this bill is finally going to be written in conference.

### A Sensible Farm Program

#### EXTENSION OF REMARKS OF

**HON. FRANK CARLSON**

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. CARLSON of Kansas. Mr. Speaker, under leave to extend my remarks, I am including an editorial which recently appeared in the Salina (Kans.) Journal. The editorial is entitled "A Sensible Farm Program."

The approval of the suggestions offered here would go a long way toward giving us a contented and prosperous national agricultural program.

#### A SENSIBLE FARM PROGRAM

For more than 3 score and 10 years the Journal has been fighting for a square deal for agriculture. That is not only because of the economic value of farmers and stockmen who are financially strong, but because, by and large from this group comes the most independent, as well as some of the best informed votes in the country.

They vote for their own interests sometimes, but that often is in self defense, and not because they do not know what they are doing, or love their country so little that they are not sorry that conditions force them to do so. Recently a group of farm leaders met to discuss the farm situation, and to outline ways to "have a relatively high proportion of farms of family size operated by the owners."

Convinced, as we are, of the common sense of such a plan, we believe that most of the States of the middle west will also approve and endorse the idea of family sized farms. To further this goal, 11 recommendations have been made that should be studied by every citizen who wants to see Kansas a more prosperous State because of the greater opportunities it offers to a larger number of people. Here are the 11 planks:

"1. The way should be kept open for the majority of farm tenants to become farm owners.

"2. Continuous operation of the home farm by succeeding generations of the same family should be encouraged.

"3. Appropriate measures should be taken to discourage the inflation of land prices.

"4. Farm mortgage terms need to be so drawn as to facilitate and maintain the ownership of farms by those who operate them.

"5. Appropriate and effective steps should be taken to improve landlord-tenant relations.

"6. Tenure arrangements should be developed that will safeguard and improve our basic farm resource, the soil.

"7. Plans need to be developed for the post-war adjustment of rents and wages.

"8. Improvements should be added to many farms, both owner-operated and tenant-operated to encourage the more efficient operation.

"9. Families now living on inadequate farms should be encouraged to locate on better farms or to obtain better employment.

"10. New land programs should be developed in areas near cities where there is a merging of urban and rural economy.

"11. Post-war, back-to-the-land movements should be carefully guided and controlled."

### War's Challenge—Youth's Answer

#### EXTENSION OF REMARKS OF

**HON. GEORGE E. OUTLAND**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. OUTLAND. Mr. Speaker, all of us are extremely interested in what American youth are thinking during these critical days. I include as part of my extension of remarks today one of the most clear and well-thought-out statements on this subject by Miss Margaret Power, daughter of M. W. Power, of Salinas, Calif. These remarks were given at the commencement exercises at Salinas Union High School on June 4, 1944, and appear to me to be so much to the point that I commend them to all Members of the House.

The young Americans of today face one of the greatest challenges ever presented to the youth of our Nation. We are engaged in a death struggle on a world battle front to save our democratic way of life. The young manhood of our Nation is setting aside plans for careers, education, and families, setting aside all that they have ever learned of fair play, to fight a war in which the major rule is kill or be killed. These boys are not going into battle because an emperor god has decreed so, or because a power-mad ruler has ordered it, but rather because they wish to fight for a cause and a way of life in which they believe. The American soldiers of today are not bitter; they are not railing against a fate which has deprived them of the days of their youth and made men of boys; rather they have accepted this battle as a job which must be done.

The young Americans of today are going into service with eager, receptive minds. They are anxious and willing to learn. The thousands of United States troops on the many battle fronts of today are building a foundation for the world of tomorrow. Our boys in khaki are seeing at first hand how the people of other lands live. They are gaining a knowledge of the problems, the cultures, and the peoples of the world. They are cementing friendships which will result in closer trade and cultural relations after the war. They are gaining an understanding of nations which will help to build a new, freer world. Isolation is a word which will become obsolete with our generation. In the post-war world things are going to be considered on a world instead of a national basis. Our boys—the future leaders of America—are now gaining valuable knowledge which will help them to become not only better citizens of the United States but better citizens of the world.

American youth is having its eyes opened. We are realizing, many of us for the first time, that ours is not the only country of importance. We are learning that other nations have good ideas. We are looking

at our government with eyes freed from the propaganda of party and prejudice. The returning veterans are coming home with the determination to build not only a lasting peace but a better America.

This war is presenting a challenge to the character of American youth. The boys in service are making constant readjustments. Rigorous Army supervision and discipline is not easy to accept or become accustomed to—especially for our boys who are so used to individual freedom. Each soldier must evolve his own individual philosophy. He must find the answer to the death and destruction of war and accept it within himself. It is not easy to see a buddy fall wounded or dead, and know that your turn may be next; but this is exactly what our soldier boys at the fronts go through day after day. Only those who have experienced war can realize its horror—and they will not talk about it.

The youth of America has and is proving itself strong. Our boys have made a glorious and heroic record on the battlefields of Bataan and Guadalcanal. The boys who are coming home are strong and sure within themselves. They have lost their illusions, but they have not allowed themselves to become cynical. They have become masters of themselves.

The young women of America are fighting in this war. They are nursing our boys in the front-line trenches. They are wearing the Navy blue and the Army tans. They are working on the production lines of the Nation.

For the past 20 years, there has been a steady increase in the number of women entering the business world, but up until this war the number has been a definite minority. Now for the first time the young women of America are assuming an important place in the field of industry. They are proving their dexterity, their worth. When the boys return the young women of our country will be able to greet them proudly. They will have done their part in the fight. More important, however, they will have gained a broader perspective, a keener knowledge of the problems of labor and industry. They will be able to assume their place in the post-war world with confidence.

The young women of America are proving their character. They are facing separation, perhaps death, from their loved ones with courage. They are picking up the threads of their lives and carrying on in the face of tragedy.

American youth is answering the challenge of the war. We are answering those of the older generation who have said of us that we are weak, pleasure seeking. We have demonstrated and are demonstrating that we can not only carry on in the face of adversity but that we can learn from tragedy and plan for a happier better world.

**Col. Carlos P. Romulo**

SPEECH  
OF

**HON. JOHN PHILLIPS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 21, 1944*

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.



ing. It will have to cut a way through the wire entanglements of special interests and pressure lobbies enrolled on the side of jealous and exclusive nationalisms, with their flag-wrapped votaries crying aloud, "Great is Diana of the Ephesians."

To enlist selfish interest and lobbies on the side of international cooperation will be a slow process. But unless and until nationalistic bickering and haggling over lesser economic risks or sacrifices can be subordinated to the greater, universal interest, governments will be unable to cooperate in curbing the conflicts of trade. These are the sources of war, which burns up in a few years all the profits of a generation of peace.

#### SHALL THE FUTURE BELONG TO FREEDOM?

The Fascists and the Nazis contend that the free peoples cannot take this next step forward. They parrot Karl Marx's argument that our economic system, based on individualism and the profit motive, breeds a blind greed incapable of the common sacrifices necessary to save itself.

While Hitler sat in jail 20 years ago this year writing *Mein Kampf*, he admitted that his program for the conquest of Germany, then of Europe, and ultimately of the earth might not succeed at the first attempt. In that event, his Nazis would go underground, or back to the beer cellar where he plotted the putsch that caused his arrest. They would bide their time until the free nations had failed again, as they failed after World War No. 1, to make a peace that would pay.

Confidently the imprisoned prophet predicted that we would be too stupid, too shortsighted in our class and nationalistic selfishness to make a peace that paid. With our failure, World War No. 2 would come, when we would be eager to exchange our liberties for his "new order" and throw open our gates to the German conquerors.

That is the taunt and the challenge the totalitarians have flung at us. Now the time approaches for us to answer and show how dumb or how enlightened we are in our selfishness. We have fooled them by our ability to unite in war and achieve an international command of our naval, land, and air forces such as had not been seen before since the rise of nations.

The agreements negotiated and yet to be negotiated are a promise of a post-war cooperation among the free nations in a new order of their own. To paraphrase Lincoln at the outset of the Civil War, we shall meanly lose or nobly meet a great opportunity, possibly the last opportunity, to save our form of civilization. If we can unite in peace to disprove the dogma of the slave States, as we have united to overthrow them in war, the future will belong to freedom.

### Did You Get Those Black-Market Nylons?

#### EXTENSION OF REMARKS OF

**HON. GEORGE H. BENDER**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. BENDER. Mr. Speaker, J. Edgar Hoover's F. B. I. has just broken up one of the most lucrative black-market rackets unearthed in the whole war period. The arrest of several manufacturers alleged to have diverted nylon threads from the manufacture of parachutes and glider tow-ropes to the production of nylon stockings discloses the magnitude of a despicable fraud per-

petrated upon the boys whom we have sent overseas to fight and die for our liberties.

It appears that raw nylon, received in a factory for conversion into thread was occasionally shipped out in lesser quantities with the discrepancy explained as "spoiled products." Then the "spoiled" material was shipped out to hosiery factories for processing. In some cities, the price of these black-market nylons ranged upward to and beyond \$10 per pair, and those who purchased such hose were buying the lifesaving parachutes meant for our airmen and were contributing to a vast fraud on the people of the entire Nation.

Black-market transactions cannot be justified by any elastic conscience. Mr. Hoover has scored again. More power to his elbow.

### Disposal of Government Property and Liquidation of Small Business

#### EXTENSION OF REMARKS OF

**HON. AUGUST H. ANDRESEN**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 21, 1944*

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the bill before the House (H. R. 5125) to provide for the disposal of more than \$60,000,000,000 of surplus Government property, plant, and land, has been materially improved by amendments adopted in the committee. The terms of the legislation, if finally approved and administered, according to the intent of Congress, will give the small businessman an opportunity to purchase for resale whatever surplus goods are available in small lots and at reasonable prices. This is the way it should be, instead of the original proposal that would only permit a few large operators to buy large quantities of goods at bargain prices.

The intent of the legislation also provides for the disposal of surplus goods through regularly established and legitimate business channels. Such intent is written into the bill to stop a few fly-by-night speculators from buying up tremendous quantities of property at 5 or 10 cents on the dollar to be resold at fabulous profits. This is what happened after the last war and we will not tolerate it again.

I urge the Senate and conference committee to retain the provisions for small business, as well as the intent to distribute surplus property through regularly established and legitimate business channels.

#### LIQUIDATION OF SMALL BUSINESS

Mr. Speaker, I would like to add a few remarks in regard to the plight of the small businessman in this country. On September 28, 1942 in a speech delivered in this House, I predicted that administration policies would force the liquidation of thousands of small businessmen. I feel it timely to quote from that speech

to show what has happened in the past 2 years. On September 28, 1942, I said:

#### LIQUIDATION OF SMALL BUSINESS

Tens of thousands of small businessmen in retail, wholesale, industrial, and service establishments are being forced out of business because of the growing scarcity of goods for civilian needs and other restrictions imposed by Federal agencies. Amongst these are automobile and tire dealers, gasoline stations, electricians, plumbers, lumber dealers, jobbers, traveling salesmen, all types of small manufacturers who cannot convert to war production, country daily and weekly newspapers, retail merchants and professional men, and many others engaged in supplying civilian goods and services to the public.

I have registered many vigorous protests against unnecessary liquidation of this great American middle class. They, together with farmers and laborers, have been, and still are, the backbone of our democracy. Liquidate them and you destroy the factors which have given stability to our system of government and way of life. These groups are making tremendous sacrifices to win the war in being forced to give up their business, trade, and profession. In spite of this, they still continue to buy bonds, pay taxes, and give patriotic service to their country and community. They must be kept alive and in business, for when they pass out of the community picture big business, which does not possess a community soul, steps in solely for the sake of profit. I strongly urge that no effort be spared by the administration and Congress to keep this group in the economic picture. If this is not promptly done, our smaller cities and villages will become ghost towns, with the unemployed walking the streets and in distress.

ONE MILLION AND SEVENTY-THREE THOUSAND SMALL BUSINESS ESTABLISHMENTS CLOSED THEIR DOORS IN 1942-43

To bear out the prediction which I made in my 1942 speech I want to quote figures from the Department of Commerce on the closing up of small American business. These statistics show that 1,073,000 business enterprises or over 30 percent of American businessmen were forced out of business in 1942-43. At least 90 percent of the business places closed or liquidated were small business enterprises, as such establishments employed 4 or less people. In the 1940-41 period 914,000 small businessmen were forced to discontinue business—largely as a result of administration policies. This makes a grand total of nearly 2,000,000 small business places being liquidated during the past 4 years.

This liquidation of small business is a tragedy to American economy. For 4 years the Roosevelt administration has given lip service to small businessmen and promised aid for survival, but little or nothing has been done. Congress has repeatedly legislated to assist small business in its fight for survival, but New Deal policy makers have refused or failed to carry out congressional enactments in this respect.

The hope of our great American middle class of people, which includes small business, profession, labor, and agriculture, can only be realized in a change of administration to run the affairs of the Federal Government, and in the selection of a Congress that will fight to recover American freedom and opportunity for all citizens under our system of representative government.



**Resolutions Adopted at the Reunion of  
the Second Oregon Volunteers of the  
Spanish-American War and Philippine  
Insurrection of 1898-99 Held at Port-  
land, Oreg., August 13, 1944**

**EXTENSION OF REMARKS  
OF**

**HON. HOMER D. ANGELL**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. ANGELL. Mr. Speaker, at the reunion of the Second Oregon Volunteers of the Spanish American War and Philippine Insurrection of 1898-99, which was held in Portland, Oreg., August 13, 1944, some important resolutions were adopted worthy of consideration by all Members of the Congress, as well as all American citizens. I therefore include these resolutions as a part of my remarks. They are as follows:

Whereas the Second World War has demonstrated that the United States was woefully unprepared for war when it came; and

Whereas our Army and Navy were small in size and lacked trained men to fill the regiments in the Army and to man the ships of the Navy; and

Whereas our enemies were fully aware of this state of unpreparedness for war that existed in the United States at that time; and

Whereas if the United States had possessed in 1940 a large and powerful Army and Navy, such as we have now, and a large and powerful reserve force of young men who had already been trained for war, our enemies would never have provoked a war with the United States; and

Whereas millions of our young men were rejected for military and naval service on account of physical and mental disqualifications, which a proper training period would probably have removed: Therefore, be it

*Resolved by the Veterans of the Second Oregon Volunteer Infantry of the Spanish War and Philippine Insurrection at their annual reunion in Laurelhurst Park, Portland, Oreg., August 13, 1944, commemorating the capture of Manila, Philippine Islands, August 13, 1898, That the Congress of the United States of America should now enact a law providing that every young man of the United States on reaching the age of 18 years shall be enrolled in the Army or Navy of the United States and shall undergo, for a period of 1 year, a system of physical, mental, and moral training which will best fit him for the patriotic duty of defending his country and maintaining its sacred principles of liberty, justice, and fraternity which are set forth in the Declaration of Independence and the Constitution of the United States.*

PERCY WILLIS,  
Chairman.  
RICHARD DEICH,  
Secretary.

**SECOND OREGON VOLUNTEER INFANTRY POST-  
WAR AIMS**

Whereas it seems to be fashionable now, with certain people, to predict what our post-war aims shall be; and

Whereas war veterans should be heard when a post-war settlement is effected: Therefore, be it

*Resolved by the veterans of the Second Oregon Volunteer Infantry of the Spanish War and Philippine Insurrection, at their annual reunion, held in Laurelhurst Park, Portland, Oreg., August 13, 1944, commemo-*

*rating the capture of Manila, P. I., On August 13, 1898, That in their opinion the Allied Nations should firmly insist upon the following:*

(a) Complete evacuation by Germany of all the occupied countries under her control.

(b) All German war factories, including plants for the manufacture of war planes, submarines, war ships, cannons, small arms, machine guns, an ammunition, be totally destroyed.

(c) German schools be placed under control of the Allied Nations for many years.

(d) Allied garrisons to be maintained in all large German cities for many years, to enforce the terms of the peace treaty.

(e) Complete destruction of all German war equipment, including war ships, submarines, war planes, cannon, machine guns, small arms, and ammunition, and tanks.

(f) The German General Staff to be abolished and prevented from reorganizing.

(g) Germany to be divided into separate states, including Prussia, Saxony, Bavaria, Hanover, Württemberg, and others, and prevented from combining again into one nation, these separate states to be organized under supervision of the Allied Nations.

(h) The German press to be under control and supervision of the Allied Nations for many years.

(i) German assemblies of all kinds to be strictly controlled by the Allied Nations for many years.

(j) Freedom of religion to be established and maintained. Rights of the Masonic fraternity and the Christian Science Church to be reestablished. And be it further

*Resolved, That in addition to the foregoing, Japan should be required to evacuate and relinquish all control over China, Manchuria, Korea, Formosa, the Philippines, Indochina, Malaya, Burma, the Dutch East Indies, Guam, Wake Island, the Aleutian Islands, and all other islands which she has unlawfully acquired; and be it further*

*Resolved, That the Allied Nations should firmly insist upon for Japan all the demands made upon Germany in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), and (j) as heretofore outlined, substituting the names Japan and Japanese where required and excepting that it may not be necessary to divide Japan into separate states; and be it further*

*Resolved, That Italy should be required to undergo similar treatment as Japan; and be it further*

*Resolved, That the responsible heads of the Governments of Germany, Japan, and Italy, and a certain number of their most important leaders, will be tried by military commissions of the Allied Nations and duly punished.*

PERCY WILLIS, President.  
RICHARD DEICH, Secretary.

**Celler Urges Upon Halifax New Declara-  
tion on Palestine**

**EXTENSION OF REMARKS  
OF**

**HON. EMANUEL CELLER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

HIS EXCELLENCY THE EARL OF HALIFAX,  
British Embassy, Washington, D. C.

YOUR EXCELLENCY: At the recent political conventions in the United States, both the Democratic and Republican Parties incor-

porated specific planks into their platforms calling upon Great Britain to permit unrestricted Jewish immigration and land ownership in the mandated territory of Palestine and for its establishment as a democratic Jewish commonwealth.

Such unanimity on a single issue should make crystal clear to the government of your honored country that there is strongest bipartisan support in the United States for the abrogation of the Malcolm MacDonald white paper, which, in so many words, precluded immigration and land ownership in Palestine on the grounds of race and religion. As you know, this so-called white paper was violative of three solemn pledges:

1. The Balfour Declaration, accepted by the United States.

2. The concurrent resolution adopted by the Congress of the United States in 1922.

3. The Anglo-American Treaty signed in 1924.

Contrary to the trend of general public opinion in this country, action on the bipartisan Wright-Compton resolution, introduced into the House of Representatives, was held in abeyance in deference to the wishes of your government.

Announcement was made recently of the resignation of Sir Harold MacMichael as High Commissioner of Palestine and of his replacement by Lord Gort, formerly military governor of the island of Malta. It is earnestly hoped and desired that this change will usher in an era of good will, friendship, and understanding between the British Colonial Office and all the inhabitants of Palestine.

In view of the formal statements made by the two great political parties in the United States, coinciding with the appointment of a new High Commissioner, an excellent opportunity is now presented to the new administration in Palestine and to the British Colonial Office to eliminate the heart-breaking restrictions against Jews which resulted from the so-called Malcolm MacDonald white paper. Coming at this time, such a declaration of a change in policy would revive the hope and the courage of any living Jews now trapped in Hitler's Festung Europa. It would likewise have a salutary effect on the future of Anglo-American relations.

Respectfully yours,

EMANUEL CELLER.

I sent the same letter to His Majesty's Minister for Colonies in London and to His Excellency, Lord Gort, at the Government House, Jerusalem.

**Russian-Trained Sidney Hillman Directs  
Political Action Committee**

**EXTENSION OF REMARKS  
OF**

**HON. GEORGE A. DONDERO**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 22, 1944*

Mr. DONDERO. Mr. Speaker, money is now being solicited from laboring men and women to swell the slush fund of the Political Action Committee of the C. I. O. Millions of dollars are being taken from the pockets of working people for term No. 4 and to smear and purge every candidate for Congress—Democrats or Republicans—who will not surrender to left-wing radicals and Communists. Sidney Hillman, Russian-born and Russian-trained, is the czar of this C. I. O. Communist front. With the aid







OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 24, 1944, for actions of Wednesday, August 23, 1944)

(For staff of the Department only)

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SENATE

PROPERTY MANAGEMENT. Began debate on S. 2065, the surplus-property disposal bill (pp. 7307-35). (For provisions of the bill see attachment following p.2.) Sen. Johnson, Colo., discussed the objectives of the bill, stating that it does not provide for the "dumping" of surpluses nor for withholding (pp. 7313-4). Several members discussed with him the provision for "disposal to local governments" (pp. 7315-6). Sens. Tobey, N.H., and Johnson, Colo., discussed the disposition of special classes of property, including agricultural lands and food (p. 7318). Sens. Ellender, La., O'Mahoney, Wyo., and Chendler, Ky., discussed the function of the Congressional representatives on the Board (pp. 7319-21). Sens. Vandenberg, Mich., and Johnson, Colo., discussed the provision relating to the disposition of plants in connection with small business (p. 7323). Sen. McFarland, Ariz., urged that provision be made for notice of intention to negotiate a sale of land (p. 7325), and Sen. Johnson, Colo., explained the priorities provided for in this bill in connection with former owners and veterans (p. 7326). In reply to Sen. Langer, N.Dak., Sen. Johnson, Colo., stated, "I think it would be fair to say that all the suggestions made by the Farmers' Union are incorporated in the bill (pp. 7326-7). Sens. Langer and Aiken, Vt., requested a definition of agricultural commodities with regard to processed and canned goods (p. 7327). Sen. McKellar, Tenn., inserted his proposed amendment providing that "surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by CCC, unless such commodities are being disposed of, pursuant to this act, for export; and the Commodity Credit Corporation may dispose of...for cash for export at competitive world prices, any farm commodity...without regard to restrictions with respect to disposal...imposed upon it by law" (p. 7327). Sen. Aiken, Vt., questioned whether Sec. 11 (a) was "broad enough to permit machinery to be transferred to" this Department and in turn be loaned to soil-conservation districts, to which Sen. Johnson gave an affirmative reply (pp. 7327-8). Sen. Stewart, Tenn., stated that "the bill provides prohibitions against speculators...and requires farming land to be sold in family-size economic units (p. 7333).

DEFENSE INVESTIGATION. Agreed, with an amendment, to S.Res. 319, increasing the limit of expenditures of the National Defense Investigation Committee by \$100,000 and providing that Senate committees employing persons who are not full-time employees of the Senate shall submit reports giving the name of such person, the name of the department or organization by whom his salary is paid, and the annual rate of such compensation (pp. 7335-7).

LEND-LEASE. Received the 16th report on lend-lease operations. To Foreign Relations Committee. (p. 7302.)



4. CONGRESSIONAL ORGANIZATION. Agreed, as reported, to S. Con. Res. 23, providing for a joint committee on the organization of Congress (pp. 7302-3).
5. PHYSICALLY HANDICAPPED. Sen. Hill, Ala., inserted a telegram from the President to the American Federation of the Physically Handicapped and the report of this Federation on this subject (pp. 7305-7).
6. PROPERTY MANAGEMENT. H. R. 5125, the surplus-property disposal bill, which passed the House August 22, 1944, was ordered to lie on the table (p. 7302).  
..... Sens. Aiken, Vt., Ellender, La., Thomas, Okla., Wagner, N. Y., McKellar, Tenn., and LaFollette, Wis., submitted amendments which they intend to propose to S. 2065, the surplus-property disposal bill (p. 7303).

#### HOUSE

NOT IN SESSION. Next meeting Thursday, August 24, 1944.

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For supplemental information and copies of legislative material referred to, call Extension 4654, or send to Room 112, Administration Building. Arrangements may be made to be kept advised of developments on any particular bill.

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#### ITEMS IN APPENDIX

POST-WAR PLANNING. Sen. Hatch, N. Mex., inserted Mayor LaGuardia's radio address concerning post-war problems (pp. A4011-14).

SURPLUS PROPERTY. Speech in the House by Rep. Fish, N. Y., criticizing the proposed amendment to H. R. 5125 which would freeze mineral products (pp. A4015-6).

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United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 78<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, WEDNESDAY, AUGUST 23, 1944

No. 134

## House of Representatives

The House was not in session today. Its next meeting will be held on Thursday, August 24, 1944, at 12 o'clock noon.

## Senate

WEDNESDAY, AUGUST 23, 1944

(Legislative day of Tuesday, August 15, 1944)

### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 22, 1944, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3704. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended; and

H. R. 5125. An act to provide for the disposal of surplus Government property and plants, and for other purposes.

### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Hayden
Andrews	Danaher	Hill
Austin	Davis	Jackson
Bankhead	Downey	Johnson, Calif.
Brewster	Eastland	Johnson, Colo.
Bridges	Ellender	Kilgore
Burton	Ferguson	La Follette
Byrd	George	Langer
Capper	Green	McClellan
Caraway	Guffey	McFarland
Chandler	Gurney	McKellar
Chavez	Hatch	Maloney
Connally	Hawkes	Mead

Millikin	Serugham	Tydings
Moore	Shipstead	Vandenberg
O'Daniel	Stewart	Wagner
O'Mahoney	Taft	Walsh, N. J.
Overton	Thomas, Okla.	Weeks
Pepper	Thomas, Utah	Wherry
Radcliffe	Tobey	White
Robertson	Tunnell	Wiley

Mr. HILL. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Kentucky [Mr. BARKLEY] is absent because of illness in his family.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. WALLGREN], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Sen-

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Joseph E. Gedra, assistant pastor, Immaculate Conception Church, Washington, D. C., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Most gracious Lord and Father in Heaven, we raise our minds and hearts to Thee in humble prayer to ask for a share in the splendor of Thy wisdom.

As we stand here in the Capitol of our Nation, it is our duty to take counsel for our people. They are Thine, and we are Thine, and we believe that it is by Thy providence we are chosen to deliberate for their welfare.

This is a time when the greatness of our human needs seems to transcend the powers of our human minds to understand and our capabilities to cope with them. Therefore, give us light, O Lord, that we may see Thy way of bringing to our fellow citizens not only the enjoyment of all earthly gifts but also the recognition of Thy loving bounty as the source of these gifts: For "Not in bread alone doth man live, but in every word that proceedeth from the mouth of God." (Matthew iv : 4.)

But let us, before all, remember that both we and our brethren should find in union with Thee our greatest happiness and our highest purpose. Therefore, in Thy loving kindness grant that our service may help our countrymen and all the world to realize this best and highest purpose, that we may know strength and victory and peace and justice here on earth, and that both on earth and in heaven in Thy light we may see light. This we ask, O God, in the name of Jesus Christ, our Lord and Redeemer. Amen.



ator from Kansas [Mr. REED], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Idaho [Mr. THOMAS], the Senator from Indiana [Mr. WILLIS], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY—HOUSE BILL ORDERED TO LIE ON THE TABLE

Mr. HILL. Mr. President, I ask that House bill 5125, which has just come to the Senate, may be printed and lie on the table.

There being no objection, the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, was read twice by its title, ordered to be printed and to lie on the table.

#### SIXTEENTH REPORT ON LEND-LEASE OPERATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

*To the Congress of the United States of America:*

Pursuant to law, I am submitting herewith the sixteenth report to Congress on lend-lease operations.

Lend-lease supplies and services provided to our allies in the 3 months ending June 30, 1944, amounted to \$4,045,000,000 in value. In all, lend-lease aid has been provided in the amount of \$28,270,000,000.

Three years ago the Axis aggressors were well along the road to domination of the world. The United States itself was in grave danger. Today the United Nations are moving relentlessly along the roads which lead to Berlin and Tokyo.

In the preparation and execution of the powerful offensives on which we are now jointly engaged with our allies, lend-lease has fulfilled its promise. Every day that the men of our Army and our Navy go into battle lend-lease is being effectively used in the common cause by the heroic men of the other United Nations. Through lend-lease, the full power of American production is being brought to bear against our common enemies by the millions of fighting men of our Allies. Through lend-lease, American weapons and other war supplies are being used by our Allies to destroy our enemies and hasten their defeat.

We should not permit any weakening of this system of combined war supply to delay final victory a single day or to cost unnecessarily the life of one American boy. Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it.

We know now that by combining our power we can speed the day of certain victory. We know also that only by con-

tinuing our unity can we secure a just and durable peace.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, August 23, 1944.

#### REPORTS OF THE CLAIMS COMMITTEE

The following reports of the Committee on Claims were submitted:

By Mr. ELLENDER:

S. 1732. A bill for the relief of Arthur M. Sellers; with an amendment (Rept. No. 1058);

S. 1766. A bill for the relief of C. O. Thornton; without amendment (Rept. No. 1062);

S. 1784. A bill for the relief of Leola Evans; with an amendment (Rept. No. 1059);

S. 1785. A bill for the relief of Alex Wylie; with an amendment (Rept. No. 1060);

S. 1869. A bill for the relief of Mrs. Mamie Dutch Vaughn; with an amendment (Rept. No. 1061); and

S. 2007. A bill for the relief of Lum Jacobs; with an amendment (Rept. No. 1063).

By Mr. WHERRY:

S. 1959. A bill for the relief of Mrs. Amy McKnight; without amendment (Rept. No. 1064); and

S. 2008. A bill for the relief of Herman Philyaw; with an amendment (Rept. No. 1065).

#### JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. TYDINGS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, without additional amendment Senate Concurrent Resolution 23, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 23) establishing a joint committee on the organization of the Congress.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. TYDINGS. Mr. President, the other day when this matter arose in connection with the call of the calendar, the Senator from Michigan [Mr. VANDENBERG], the Senator from Connecticut [Mr. MALONEY], the Senator from Kentucky [Mr. BARKLEY], and many other Senators spoke in favor of the concurrent resolution. The purpose of the concurrent resolution is to authorize an investigation. It was referred to the Committee to Audit and Control the Contingent Expenses of the Senate only because the rules of the Senate required it. The Senator from Connecticut is anxious to go to work on the investigation before the end of the year.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHITE. I merely wish to identify the concurrent resolution. Is it the resolution of the Senator from Connecticut [Mr. MALONEY]?

Mr. TYDINGS. It is.

Mr. HILL. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HILL. As I understand, it merely provides funds so that the Maloney resolution may become effective.

Mr. TYDINGS. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had previously been reported from the Committee on Rules with amendments.

The VICE PRESIDENT. The clerk will state the amendments of the Committee on Rules.

The first amendment of the Committee on Rules was, on page 1, line 6, after the word "majority" to strike out "part" and insert "party."

The amendment was agreed to.

The next amendment was, on page 2, after line 4, to insert:

No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

The amendment was agreed to.

The next amendment was, on page 2, line 23, after the word "Congress", to insert the following proviso: "Provided, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House."

The amendment was agreed to.

The next amendment was, on page 4, line 1, after the word "exceed", to insert "\$10,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

If there be no further amendments to be proposed, the question is on agreeing to the concurrent resolution as amended.

The concurrent resolution (S. Con. Res. 23) as amended, was agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on the Organization of the Congress (hereinafter referred to as the committee) to be composed of six Members of the Senate (not more than three of whom shall be members of the majority party) to be appointed by the President of the Senate, and six Members of the House of Representatives (not more than three of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.*

SEC. 2. The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government and enabling it better to meet its responsibilities under the Constitution. This study shall include, but shall not be limited to, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other



strong and pointed presentations will be made for each type of handicapped, according to their needs, including the deaf, hard of hearing, polios, TB's, etc.

#### POLITICAL ACTION

We call upon every individual handicapped citizen, as well as organized groups thereof, to immediately present to all candidates for public office the urgent demand that such candidates sponsor and support adequate national programs for the physically handicapped. If such candidates ignore these requests, or refuse to support such programs, then, as a matter of enlightened self-interest, the handicapped will be justified in refusing to support such candidates for election.

Questionnaires should be sent at once to all candidates, to quiz them as to their stand on the A. F. P. H. national program, enunciated hereinbefore.

#### AMERICAN FEDERATION OF THE PHYSICALLY HANDICAPPED AFFAIRS

As we survey the inner workings of our federation, we well realize it requires many additions, in order to afford proper service to its members, and other handicapped.

The first need is for more members. It is axiomatic that we will achieve results in direct ratio to the power of mass members, and the means thus provided with which to carry on our work.

Last month we launched a campaign for a \$50,000 working fund. That is only a start. We want every member and every friend of the handicapped to participate in this drive. We want to be in position through having more adequate finances provided, to do the things which we know must be done if the handicapped are to survive, and hold their place, following next Armistice Day.

We are not alarmists, but realists. We know unless our Nation is prosperous the handicapped cannot be prosperous. We know that the Nation cannot be prosperous unless full employment for all citizens is part of the national scheme.

While carrying on our fight for the handicapped, we must, also, carry on the fight to preserve the Nation, itself, so that we may enjoy full measure of opportunity, both for our own sakes, and that of the whole citizenry.

While carrying on our fight for the handicapped will be subjected to more stress than any other group in the country. Organization offers the only practical solution. Let us plan a federation with a million members. We have a dynamic idea, service, when needed, to all the handicapped.

Let us organize the handicapped in every city in the Nation. Let's make every town an A. F. P. H. town. Let us make ourselves so strong that the public, and officialdom, as well as industry, will be forced to listen to us.

Stand fast on the principle that the interests of all handicapped are identical, insofar as a basic program is concerned, and for that reason all handicapped must stand together in full brotherhood.

Do not be alarmed nor swayed by carping critics. The mere fact that A. F. P. H. has been attacked by certain, selfish individuals and groups is proof that A. F. P. H. is doing its job, the job which some other organizations and individuals are either incompetent, or too lazy and filled with a sense of their own importance, to even attempt. These unfortunate leaders are digging their own graves by such tactics.

The handicapped, and the public, will not rate A. F. P. H. on what is said about A. F. P. H., but rather what A. F. P. H. does. Therefore, we must continue to mind our own business; hew to the line, and let the chips fall where they may.

#### EDITORIAL COMMENT ON RESIGNATION OF JAMES A. FARLEY

[Mr. BYRD asked and obtained leave to have printed in the RECORD two editorials

and an article on the subject of the resignation of James A. Farley as chairman of the Democratic Committee of the State of New York, which appear in the Appendix.]

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2065.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

#### OBJECTIVES

SECTION 1. The Congress hereby declares that the objectives of this act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) In the disposition of all classes of surplus property—

(1) to assure the most effective use of such property for war purposes;

(2) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

(3) to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

(4) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

(5) to strengthen and preserve the existing cooperative organizations, and to encourage the extension of the cooperative movement;

(6) to aid honorably discharged servicemen to establish and maintain their own small business or agricultural enterprises;

(7) to assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

(8) to provide for the utilization of surplus property to the fullest extent practicable in furtherance, under appropriate controls, of programs meeting certain important public needs referred to in section 12 hereof;

(9) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of such surpluses in other countries;

(b) In the disposition of consumers goods—

(1) to achieve the prompt and full utilization thereof at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

(2) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this act (without discriminating against the establishment of new enterprises);

(c) In the disposition of plant, equipment and materials for use in further production—

(1) to promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country with due regard to the needs of industrially underdeveloped areas;

(2) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment with due regard to the necessity of discouraging monopolistic practices;

(3) to foster the development of new independent enterprise;

(d) For all classes of surplus property, to obtain the highest return for the Government consistent with the foregoing objectives.

#### SURPLUS PROPERTY BOARD

SEC. 2. (a) There is hereby established in the Office of War Mobilization, and in the office of its successor, a Surplus Property Board, which shall be composed of eight members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$10,000 per annum, and shall serve for a term of 2 years. In the selection of members of the Board the President shall give due consideration to the various geographic areas and economic interests of the Nation. The Board shall elect one of its members as Chairman. In their deliberations the Board shall take into consideration the interests of all economic groups such as consumers, industry, agriculture, and labor. In case of a tie vote the Director of War Mobilization or his successor shall have a deciding vote. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. The Board shall determine all matters of policy relating to the administration of this act.

(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the Chairman of the Board to advise such Members of all general or special meetings of the Board.

(c) The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct and shall receive compensation at the rate of \$10,000 per annum. The Board shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy administrative directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. All such deputy administrative directors and other officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended. The Board shall, where practicable, perform the duties imposed upon it through the personnel and facilities of other Government agencies.

#### SURPLUS PROPERTY ADVISORY COUNCIL

(d) There is hereby created a Surplus Property Advisory Council with which the Board shall advise and consult. The Council shall be composed of the Chairman of the Board, who shall act as its chairman, and of the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Attorney General, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Labor, the chairman of the board of directors of Smaller War Plants Corporation, the Chairman of the United States Maritime Commission, the Chairman of the War Production Board, the Director of the Bureau of the Budget, the War Food Administrator, the Administrator of Veterans' Affairs, the National Housing Administrator, the Federal Works Administrator, the Chairman of the Civil Aeronautics Board, the Federal Security Administrator, the Chairman of the Federal Trade Commission, and the Administrator of the Foreign Economic Administration, or any



alternate or representative designated by any of them.

#### BOARD'S DUTIES AND AUTHORITY

SEC. 3. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until a final peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. Subject to the general supervision of the Director of War Mobilization or his successor, and the provisions of this act, and notwithstanding the provisions of any existing law, it shall be the function and duty of the Board—

(a) To supervise and direct the handling and disposition of surplus property by the Government in accordance with the objectives and policies of this act;

(b) To supervise and direct the transfer of any surplus property in the possession of any Government agency to any other Government agency;

(c) To assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, to centralize in one disposal agency responsibility for the disposal of all property of the same type or class: *Provided, however*, That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels, until otherwise provided by law;

(d) To prescribe regulations and issue directives necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers shall have a fair opportunity to buy;

(e) To formulate and issue as rapidly as possible detailed plans—

(1) for the care and handling and disposition of surplus property in accordance with this act;

(2) for converting to civilian production by private industry as rapidly as war needs and conditions permit, any Government-owned plants which are not needed for the common defense and are capable of use for civilian production;

(3) for facilitating the most economical use and disposition of Government-owned plants which are not needed for the common defense but are not capable of use for civilian production;

(4) for disposition of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system;

(5) for removal of any existing discriminations affecting the disposal and use of Government-owned plants and property in accordance with this act;

(f) To effectuate the objectives of this act to aid honorably discharged veterans to establish and maintain their own small business or agricultural enterprises by affording such veterans suitable preferences to the extent feasible and consistent with the policies of this act in the acquisition of the types of surplus property useful in such enterprises. The Board in cooperation with the Administrator of Veterans' Affairs shall prepare and submit to Congress within 6 months after enactment of this act a report setting forth the feasible means planned to effectuate the objectives of this subsection;

(g) To devise ways and means and prescribe appropriate regulations and directives in cooperation with the War Food Administrator whereby surplus property will be sold in such quantities in rural localities and in such manner as will assure farmers and farm-

ers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however*, That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the War Food Administrator whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

SEC. 4. (a) Notwithstanding the provisions of any other law but subject to the provisions of this act, the Board and any disposal agency designated by it under subsection (c) of section 3 of this act are authorized to dispose of surplus property.

(b) Notwithstanding the provisions of any other law but subject to the provisions of this act, the Board may dispose of property under this act by sale, exchange, lease, transfer, or other disposition for cash, credit, other property, or otherwise, with or without warranty, and upon such other terms and conditions as it deems proper.

SEC. 5. (a) The Board may delegate any administrative authority conferred upon it by this act to the Administrative Director and to any deputy administrative director, and may delegate such authority, upon such terms and conditions as it may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency by or pursuant to this act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority conferred upon each of them individually by or pursuant to this act.

(d) The Board shall prescribe regulations to effectuate the provisions of this act. Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this act. The regulations prescribed under this act shall be published in the Federal Register.

SEC. 6. Surplus property sold for export or disposed of abroad pursuant to the provisions of this act shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this section.

#### REPORTS AND PLANNING

SEC. 7. (a) Within 3 months after the enactment of this act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of its authority and discretion under this act. Such reports shall contain—

(i) A statement of the status of surplus property disposition.

(ii) A statement of the kind, amount, and value of all considerations received by any disposal agency in exchange for property disposed of under this act.

(iii) Such recommendations for legislation as the Board may deem necessary or desirable.

(b) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within 6 months after enactment of this act, a report as to each of the following classes of Government-owned property: (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) avia-

tion gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; and (12) radio and electrical equipment:

(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property that will no longer be needed by the United States;

(B) Outlining the economic problems that may be created by disposition of the property;

(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with policies and objectives set forth in this act;

(D) Describing any steps already taken for care and handling, disposition, and use of the property (including any contracts relating thereto), and designating any property that is to be retained by the United States for war or common defense purposes.

In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report 6 months after the enactment of this act, and shall submit a complete report as soon thereafter as possible.

If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

(c) Whenever the Board may deem it to be in the interest of the objectives of this act it may authorize the disposition of any property listed in classes 9 to 12, inclusive, of subsection (b) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until 30 days after such report (or additional report) has been made while Congress is in session.

(d) The reports required in subsections (a) and (b) of this section shall, when received, be referred to the appropriate committees of the Congress and it shall be the duty of each such committee to consider such report at public or private hearing as said committee may determine and thereafter to make appropriate report thereon to the respective Houses.

#### ADVISORY COMMITTEES

SEC. 8. Each disposal agency may, under regulations to be prescribed by the Board, organize advisory committees with which it shall consult regarding policies and procedures to govern disposal of the various classes of surplus property under this act: *Provided*, That such committees shall perform only advisory and consultative functions and shall not be authorized to promulgate or to administer policies and procedures, which shall be the responsibility of the appropriate Government agencies: *Provided further*, That full information on all such committees shall be submitted to the Attorney General and no such committee shall continue any operations or activities which the Attorney General finds, and certifies to the appropriate Government agencies, tend to promote the restraint of trade or the extension of monopoly. Such committees shall be fairly representative of—

(a) the larger business units of the interested trade or industry, including its wholesale and retail distributors, if any;

(b) the small business units therein, including distributors;

(c) genuine member-controlled cooperative organizations;



- (d) the labor groups interested therein; and  
 (e) interested farm, consumer, and other groups, if any.

#### DECLARATION OF SURPLUS PROPERTY

SEC. 9. (a) Every Government agency shall have the duty and responsibility continuously to survey the property in its possession or control and to determine which of such property is surplus to its needs and responsibilities, and to report promptly to the Board and to the appropriate disposal agency any surplus property in its control which the owning agency does not dispose of under section 13.

It shall be the duty of the War and Navy Departments to survey the needs for the defense of the United States in relation to Government-owned plants, facilities, equipment, and supplies, and they shall not declare surplus any of these items for which they find that there is a need within the useful life of the item in question.

(b) Whenever in the course of the performance of its duties under this act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each Government agency shall submit to the Board (1) such information and reports with respect to surplus property in its control, in such form, and at such reasonable times, as the Board may direct; (2) information and reports with respect to other property in its control, to such extent, and in such form, as the agency deems consistent with national security.

(c) When any surplus property is reported to any disposal agency under subsection (a) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with the policies, standards, methods, and procedures prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as it deems necessary to permit its preparation therefor.

(d) Any Government agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

#### AGENCY INVENTORIES

SEC. 10. Every disposal agency shall maintain in each of its disposal offices full records of the inventories of surplus property of such office and of each of the disposal transactions negotiated by such office and shall make the information in such records available for inspection by the public.

#### UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

SEC. 11. (a) It shall be the responsibility of all Government agencies, in order to avoid making purchases of needed properties through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied from among such surplus property. It shall also be the responsibility of the head of each agency to submit to the Board such estimates of property needed and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of sur-

plus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surpluses to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not making proper use of the surplus property of other Government agencies.

(b) The Board shall, to the maximum extent practicable, allocate and transfer to Government agencies surplus property capable of being utilized by them. In so doing, it shall give consideration to the acquisition by the War Department, Navy Department, and Maritime Commission of surplus property necessary for the prosecution of the war or for purposes of the common defense and national security. All such transfers shall be made upon such terms and with such charge to the appropriation of the transferee for the value thereof as the Bureau of the Budget shall determine to be in accordance with existing law.

(c) The Board shall resolve any conflict between Government agencies over the acquisition of surplus property in such manner as will, in its judgment, best effectuate the objectives of this act.

#### DISPOSAL TO LOCAL GOVERNMENTS

SEC. 12. The Board may prescribe regulations for the disposition of surplus property to States, and political subdivisions thereof, including municipalities, and to tax-supported and nonprofit institutions, as follows:

(a) Surplus property that is appropriate for school, classroom, or other educational use may be transferred to the Federal Security Agency for donation to the States and their political subdivisions and tax-supported educational institutions, and, within rules and regulations to be prescribed by the Federal Security Administrator, with the approval of the Board, to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(b) Surplus medical supplies and equipment may be transferred to the Federal Security Administration for donation to the States and their political subdivisions and to tax-supported medical institutions, and, within rules and regulations to be prescribed by the Federal Security Administrator, with the approval of the Board, to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, and to the American Red Cross.

(c) Any surplus property may be sold or leased to States, political subdivisions thereof, including municipalities, tax-supported institutions, and nonprofit charitable, medical, and educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower: *Provided*, That other surplus property not immediately disposable for which the estimated cost of care and handling and disposition would exceed the estimated proceeds of commercial disposition, may be donated to States, political subdivisions thereof, including municipalities, and, within rules and regulations to be prescribed by the Board, to tax-supported institutions and nonprofit charitable, medical, and educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(d) Where property is disposed of pursuant to the provisions of this section, the Board shall see to it that appropriate provisions for control are applied for a period not to exceed 2 years next succeeding the date of disposition with respect to the maintenance of the property, its continued use for the general

purpose for which it was acquired, repossession by the Federal Government in the event that the conditions of its disposal are not complied with, and related provisions.

#### DISPOSITION BY OWNING AGENCY

SEC. 13. (a) Any owning agency may dispose of any property for the purpose of aiding in the prosecution of the war and for the common defense or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of aiding in the prosecution of the war and for the common defense, subject only to the regulations of the Board with respect to price policies: *Provided*, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.

(b) Subject to subsection (c) of this section and to the provisions of section 21, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items not included within the definition of strategic minerals and metals contained in section 21;

(3) any physical products of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; and

(4) any other similar class or type of surplus property designated by the Board.

(c) The Board shall have the responsibility for reviewing the disposal actions and the decisions with respect to the classification of property of the owning agencies under this section to assure the fulfillment of the objectives and policies of this act and whenever the Board finds it necessary it shall restrict by regulation or rescind the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### SMALL BUSINESS

SEC. 14. (a) It shall be the duty of the Board, and it is hereby authorized and directed, to devise ways and means and prescribe appropriate regulations and directives, to prevent any discrimination against small business in the disposal and distribution and use of any Government property covered by this act. To that end the Board shall cause the disposal agencies to adopt and pursue the following measures:

(1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.

(2) Reduce lots or blocks of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.

(3) In appropriate cases in the discretion of the agency or the Board, arrange for sales on credit or time bases, or such other terms or conditions as will preserve the competitive position of small business enterprises in the purchase or acquisition of surplus property and accord them a fair opportunity for the acquisition thereof.

(b) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies, or the board, the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of Government property by them and in the disposal thereof by the agencies.



(c) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property and to disseminate information and other guidance concerning the disposition and acquisition of surplus property among small business enterprises in industry and trade.

(d) The Smaller War Plants Corporation shall recommend to the Congress any measures which it deems advisable for the removal of discriminations against small business in the acquisition and use of Government-owned plants and properties, in accordance with the objectives of this act.

(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale or other disposition to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it.

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

#### DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 15. (a) Notwithstanding any other provision of this act or of any other act or of any Executive order, the War Food Administrator or his successor shall be solely responsible for the formulation of policies and the carrying out of programs with respect to the disposal of surplus agricultural commodities. The War Food Administrator or his successor, subject to the provisions of existing law, shall formulate workable plans for the disposition of surplus agricultural commodities in such a manner as to prevent these excess supplies from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(b) The board shall not exercise any of its powers under this act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

No department or agency of the Federal Government shall sell or otherwise dispose of surplus cotton or woolen goods except in accordance with the orders and regulations of the Board, approved in writing as hereinbefore provided by the War Food Administrator or his successor.

#### DISPOSITION OF PLANTS

SEC. 16. Whenever the Board or any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property representing an original cost to the Government of \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the Board or disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time after receiving such notification the Attorney General shall advise the Board or disposal agency whether the proposed disposition will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as the Board or any such agency may possess

which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this act. As used in this section, the term "antitrust laws" includes the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

SEC. 17. Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract, or, next succeeding the date upon which operations begin after a period of conversion and alteration to be approved by the Board, but not to exceed 1 year, and that upon breach of such condition, the Government may rescind the contract and upon return of so much of the consideration as shall be equitable, recover the plant: *Provided, however,* That when such operation or production is prevented by any cause beyond the control of the purchaser, lessee, or transferee, or their transferees, it shall not be considered a breach of such condition.

SEC. 18. Every existing option to purchase or otherwise acquire Government-owned property shall, before it is consummated, be submitted to the Attorney General for his opinion as to its validity.

SEC. 19. Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation: *Provided,* That the foregoing shall not be construed to prohibit the manufacture or production of articles or commodities for civilian use when specifically authorized by act of Congress, in plants or facilities (such as the Government Printing Office, power and public works projects, prisons, reformatories, and hospitals and like institutions) not constructed or acquired for war purposes.

#### LIMITATIONS ON DISPOSITION OF AIRPORT AND HARBOR FACILITIES AND PORTS

SEC. 20. (a) In order that States and political subdivisions thereof, including municipalities, and other governmental units and agencies may have an opportunity to enter into arrangements for the use, operation, or acquisition of airport and harbor and port terminal facilities, no such facilities shall be disposed of or dismantled except after a report to the Congress, including recommendations of the Civil Aeronautics Administration in the case of airport facilities and the Secretary of Commerce in the case of harbor and port terminal facilities; and no technical equipment of any airport left in a stand-by condition shall be removed except for use at some other place until reasonable opportunity is afforded to interested governmental units to enter into arrangements for the operation of such airport.

(b) Any real property which is a part of any permanent military reservation or post or fort, either occupied or held in standby status, is excluded from the provisions of this act, and shall not be disposed of except upon authorization by law hereafter granted.

#### STOCK-PILING

SEC. 21. All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pur-

suant to this act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The minerals and metals may be transferred in any form in which they are held, and they shall thereafter be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means all minerals and metals included in either group A or group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals or metals which said Board determines should be added to group A or group B, and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. Transfers under this section shall be made without reimbursement or transfer of funds except that, if the Reconstruction Finance Corporation or any of its subsidiaries is the owning agency for any property so transferred, the Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred.

#### DISPOSAL OF SURPLUS REAL PROPERTY

SEC. 22. (a) Notwithstanding any other provision of this act property as defined in this section shall be disposed of only as provided in this section.

(b) As used in this section, unless the context otherwise requires, the term "property" includes land, together with any fixtures and improvements thereon, located outside of the District of Columbia acquired (since December 31, 1939) by the United States or by any corporation wholly owned by the United States, but does not include the public domain, or lands withdrawn or reserved from the public domain, and does not include war housing, industrial plants, factories, or similar structures or facilities, or the sites thereof.

(c) (1) The Secretary of the Interior shall establish and maintain in the General Land Office a central inventory of all lands now owned and held or hereafter acquired by the United States for its use, including lands in its Territories and possessions, and, in his discretion, may include in such inventory any other lands, or any interests in lands, now held or hereafter acquired by the United States. The inventory shall also show the disposal which may be made of any of the lands or interests included therein.

(2) Any Government agency authorized to acquire, accept, or hold title to or an interest in land in the name of the United States or of such agency, or which has federally owned land, other than public-domain land, under its jurisdiction or control, shall submit to the Secretary of the Interior for recordation in the General Land Office the documents by which the title to or an interest in the lands covered by this subsection was acquired by a Government agency, or disposed of subsequent to the effective date of this act, together with such other data, including a plat of the tract of land involved, as may be required. The General Land Office, after making a copy of its records by such methods as it deems feasible, shall return the original documents, except any plat that may have been required, to the agency submitting them with an appropriate notation thereon showing that they have been recorded by the General Land Office.



(3) All provisions of law relating to the custody, use, and effect of records of the General Land Office, including the act of August 24, 1912 (37 Stat. 497; 5 U. S. C., secs. 488-492), shall apply to records made under the authority of this subsection. Authenticated copies of any such record certified as being a true copy of the document from which such record was made shall be admissible in evidence equally with the original of such document.

(d) (1) It shall be the duty of the head of every Government agency to make a survey of property which is under the jurisdiction of the agency and which was acquired subsequent to December 31, 1939, to determine if any part of the property is not needed by the agency for the efficient performance of its functions. If he finds that any such property is unnecessary for such purpose, he shall report his findings to the Secretary of the Interior, together with a description of the property which is not needed by the agency, and shall thereupon transfer jurisdiction over such property to the Secretary of the Interior. Property transferred to the Secretary under this subsection is hereinafter referred to as "surplus real property."

(2) This subsection shall not apply to any property which has been specifically set aside by act of Congress for specific purposes, or which is held by a credit agency in the course of its lending operations, or which is authorized to be disposed of pursuant to section 43 of the Bankhead-Jones Farm Tenant Act, as amended, or which is held by any agency or person under subdivision (b) of section 5 of the Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended.

(e) Immediately after the transfer of surplus real property to the Secretary of the Interior it shall be the duty of the said Secretary and the Secretary of Agriculture, acting jointly, to classify such property as agricultural, grazing, forest, mineral, or otherwise, as they may deem advisable. The classification may be revised from time to time. In case of disagreement as to the classification of any property the Director of War Mobilization or his successor shall make the decision.

(f) (1) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, and is classified under this section as agricultural land, the person from whom such land was acquired or, in the event of his death, his lineal heirs, shall be given notice that the land is to be disposed of by the United States and shall be entitled to purchase such land. In substantially the identical tract as when acquired from such person, at private sale at any time during the period of 90 days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any land under this subsection.

(2) In the event that land which was employed in farming operations when acquired by the Government but which is no longer classified as agricultural land, is transferred to the Secretary of the Interior under this act, the former owner of such land and his lineal heirs may be offered similar agricultural land in the same area, if such land is available.

(3) Where a tenant of the former owner of agricultural land, who was a tenant at the time of the acquisition of such land by the United States, signifies his intention to purchase such land within a period of 90 days following notice of sale, and the former owner or his heirs are unavailable or decline to exercise the privilege, the tenant shall be entitled to purchase the land at private sale. If the tenant is unable to purchase the land that he was operating at the time of acquisition by the Government, and similar agricultural land in the same area is available after former owners (or their lineal heirs or

tenants) have exercised their privileges, the tenant shall be entitled to purchase such land.

(4) In the event there is more than one applicant for the purchase of the land, the Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine whether the land is capable of subdivision, and, if subdivision would result in the creation of farms in less than family-size units, the priority among the applicants for the right to purchase shall be determined by lot.

(5) The price to be paid for land sold under this subsection shall be an amount equal to the price paid for it at the time of its acquisition by the department or agency by which it was acquired, increased or decreased, as the case may be, by an amount equal to any increase or decrease in the market value of such land by reason of any improvements or changes made thereon, or by reason of the use thereof, during the time it was owned by the United States, or a price equal to the market price at the time of sale of such surplus land, whichever price is the lower.

(6) The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the method of giving notice and may prescribe notice by publication for such period and in such manner as he deems appropriate or by other means, and may by regulation prescribe methods for the identification of the person entitled to exercise the privileges conferred by this subsection.

(g) (1) For a period of 15 years following the effective date of this act, whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, veterans shall be granted a preference in the acquisition or purchase of such property over nonveterans, except as provided in subsection (f) of this section. The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the units in which the property is to be disposed of, giving due consideration to the character of the property, the economic use to which it is to be put, and the objectives of disposition as set forth in this act.

(2) Except as to property to be disposed of under the public land laws, the following procedure shall govern the exercise of veterans' preference rights under this subsection: The Secretary of the Interior or the Secretary of Agriculture, as the case may be, shall determine the fair market value of each unit. Before any such property is offered for sale, except under subsection (f), either by public sale or by negotiated sale, any veteran may apply for the purchase of any or all units offered for sale at the price established by the Secretary. The Secretary shall prescribe the time within which application shall be made and shall give such notice thereof as he deems reasonable to enable veterans to exercise their rights under this subsection. The Secretary shall select the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto, except that the purchase by such veteran of a tract or tracts of land aggregating not more than 15 acres shall not prevent such veteran from acquiring a homestead under the public land laws. Sales to veterans under this subsection shall be upon such terms as the Secretary may prescribe. If no sale of property to a veteran is effected under this subsection, the property shall be disposed of as provided in subsection (h).

(3) The preference right accorded to each veteran may, if not previously exercised, be exercised upon his death by his spouse or by his children, in that order. The same preference right shall also be extended to the spouse or children of any person who, except for his death while in active service, would qualify as a veteran under the provisions of this act. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Secretary of the Interior and the Secretary of Agriculture, in order to prevent the loss of such right by the holder thereof.

(h) (1) Lands classified as suitable for disposition under the homestead and other public land laws shall be disposed of in accordance, or as near as may be, with the provisions of such laws.

(2) Lands classified as suitable for agricultural use, other than those to be disposed of under the homestead and other public-land laws shall be transferred to the Secretary of Agriculture and shall be subdivided by him whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities) and, after opportunity for exercise of the preferences under subsection (f) has been afforded, shall be sold insofar as possible to persons who expect to cultivate such land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

(3) Before disposing of any other surplus real property, the Secretary of the Interior shall appraise the property and determine its fair market value. The property may then be sold at public sale or by negotiated sale, whichever method is determined by the Secretary to be most in the public interest. If the property is to be sold at public sale, the Secretary shall give public notice thereof at least 90 days prior to the date of sale. He shall sell the property upon such terms as he deems most in the public interest to any person whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act. If the property is to be sold by negotiation, the Secretary shall, upon the conclusion of the negotiations, give public notice for 90 days of the terms of the proposed sale. The notice shall state that during such period, protests against the sale may be made to the Secretary. At the end of the period the Secretary may approve or disapprove of the sale.

(i) In disposing of any property under subsection (h) (1) of this section the Secretary of the Interior shall (except in case of a sale to the original owner or his lineal heirs or tenants or to a veteran or his spouse or children) reserve to the United States all oil, gas, and other mineral deposits in the property; and such reservation of minerals shall be expressly stated in the instrument of conveyance.

(j) Upon the sale of any surplus real property under this section, the property may be taxed to the purchaser by the State or any local public taxing unit in which the property is located upon the purchaser's taking possession thereof even though title thereto has not yet passed to the purchaser. The United States shall not be liable in any way for any tax which may be imposed on the property, and in the event all interests in the property revert to the United States prior to the passage of title, any lien on such property for unpaid taxes shall be extinguished.



(k) The Secretary of the Interior and the Secretary of Agriculture each shall, not later than the January 1 following the end of each fiscal year, submit to the Congress a report on their activities under the provisions of this section for that fiscal year. Such reports shall contain any recommendations for legislation or other action which the Secretary of the Interior or the Secretary of Agriculture believes will facilitate the operation of this section. The report of the Secretary of the Interior shall show by States the total area of land under the jurisdiction of each Government agency, the total area acquired and disposed of during the fiscal year, and other related data, together with a statement of the authority under which such acquisition and disposals were made.

(l) The Secretary of the Interior and the Secretary of Agriculture may perform such acts and adopt such rules and regulations as are necessary for carrying out the provisions of this act.

(m) In the case of sales of real property under this section or under any other provision of this act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

#### CIVIL REMEDIES AND PENALTIES

SEC. 23. (a) Where any property is disposed of in accordance with this act and any regulations prescribed under this act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

(b) Every person (1) who makes or causes to be made, or presents or causes to be presented, or delivers or causes to be delivered to any employee, officer, agent, or representative of the United States or any Government agency or to any person in the civil, military, or naval service of the United States any claim, bill, receipt, check, voucher, statement, account, certificate, affidavit, deposition, or other document, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry; or (2) who shall cover up, or conceal, or misrepresent any material fact; or (3) who shall perform or engage in or cause to be performed or engaged in any act or acts with intent to defraud the United States; or (4) who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this act; or (5) who enters into an agreement, combination, or conspiracy to do any of the foregoing—

(i) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

(ii) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

(iii) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the courts to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this act shall be in addition to all other criminal penalties and civil remedies provided by law.

SEC. 24. It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period and for 2 years after the period that such person is engaged in such employment or service, to seek or take employment with any person to whom disposition of Government property has been made under this act, or to become counsel, attorney, or agent for such person, if such Government officer or employee has been directly connected with such disposition. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than 1 year, or both.

SEC. 25. The first section of the act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act, shall be suspended until 3 years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

#### MISCELLANEOUS PROVISIONS

SEC. 26. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the act.

SEC. 27. (a) All proceeds from any transfer or disposition of property under this act shall be deposited and covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds

either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency, the proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency.

(c) To the extent authorized by the Board, any Government agency disposing of property under this act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract and shall not be subject to subsection (a) of this section.

SEC. 28. (a) Any Government agency is authorized to use for the disposition of property under this act and for its completion and care and handling, pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for such purposes or for the purpose of production or procurement of such property.

(b) Any Government agency is authorized to use for the acquisition of any surplus property under this act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this act.

SEC. 29. (a) Nothing in this act shall limit or affect the authority of commanders in active theaters of military operations to dispose of property in their control.

(b) The provisions of this act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof, except the provisions of section 6, dispositions of property located outside of the continental United States, its Territories and possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this act.

SEC. 30. A deed, bill of sale, lease, or other instrument purporting to transfer title or any other interest in surplus property under this act, which is executed by or on behalf of the Board, or by the Government agency to which the Board shall have assigned such surplus property for disposal, shall be conclusive evidence of compliance with the provisions of this act so far as the title or other interest of any bona fide purchaser or lessee, as the case may be, is concerned.

SEC. 31. (a) This act shall not impair or affect any authority for the disposition of property under any other law not inconsistent herewith, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this act, whenever it deems such action necessary to effectuate the objectives and policies of this act.

(b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; the act of October 2, 1942 (ch. 578, 56 Stat. 765),



as amended; section 301 of the Second War Powers Act, 1942; the act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, respecting war housing; or acts supplemental thereto, or of any law regulating the export of property from the United States, or the statutes relating to the public lands.

SEC. 32. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

#### DEFINITIONS

SEC. 33. As used in this act—

(a) The term "Government agency" means any executive department, board, bureau, independent commission, or other agency in the executive branch of the Federal Government, and any corporation wholly owned and controlled by the United States.

(b) The term "owning agency" means a Government agency having control of property at the time when it is determined to be surplus to the needs and responsibilities of that agency.

(c) The term "disposal agency" means any Government agency designated under this act to handle disposition of one or more classes of surplus property, except owning agencies.

(d) The term "property" means any interest in property, real or personal, owned by the United States or any Government agency, including, but not limited to, patents, processes, techniques and inventions, and plants, facilities, equipment, machinery, accessories, parts, assemblies, products, commodities, materials, and supplies of all kinds, whether new or used, and wherever located.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 9 of this act.

(f) The term "contractor inventory" means any property allocable to the terminated portion of a contract of any type with a Government agency or to a subcontract thereunder.

(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting insuring storing, packing, handling, and transporting.

(h) The term "option" means any contractual right to retain or acquire any property at a price and upon terms prescribed or determined by the contract.

(i) The term "person" means any individual, corporation, partnership, firm, association, trust, estate or other entity.

(j) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(k) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

(l) The term "veteran" means any person who during the present war was entitled to the benefits afforded by the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, and who has been honorably discharged or otherwise honorably separated from the service entitling him to such benefits; but the term "veteran" does not include any person who was entitled to such benefits solely by reason of being ordered to report for induction under the Selective Training and Service Act of 1940, as amended.

(m) The term "disposal" or "disposition" means sale, conditional sale, or lease, for cash, credit, or other property, donation

when specifically authorized in section 12; or any other transfer.

#### EFFECTIVE DATE

SEC. 34. This act shall become effective on the date of its enactment.

#### SHORT TITLE

SEC. 35. This act may be cited as the "Surplus Property Act."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute reported by the committee.

Mr. JOHNSON of Colorado. Mr. President, I was designated by the Senate Military Affairs Committee to sponsor and handle Senate bill 2065 on the Senate floor. The bill, as amended by the Committee on Military Affairs, is a composite of many bills dealing with the disposal of surplus property. We borrowed from more than a dozen bills in formulating the language and the provisions of the committee amendments to Senate bill 2065.

It is hardly necessary for me to say also that this bill as amended and as the committee has presented it, is very much of a compromise. The views of the members of the Senate Military Affairs Committee, as are the views of the Senate body as a whole, were sharply divided, but in order that we might report any bill we had to compose our differences and modify some of our views. That we have done.

Mr. President, the bill, as amended, comes to the Senate with the unanimous approval of the Senate Military Affairs Committee. I dare say that none of the members of the committee are entirely satisfied with all its provisions, but we realized that we had to compromise our differences, for if that were not done 96 separate bills would be the result, in order to have the kind of bill that each Member would think proper and adequate to deal with the great problem of surplus-property disposal.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WHITE. Did I understand the Senator from Colorado to say that the bill comes to the Senate with the unanimous approval of the Committee on Military Affairs?

Mr. JOHNSON of Colorado. That is correct; yes. It comes to the Senate with the unanimous vote of the committee. I wish to add that I do not believe that any member of the committee was completely satisfied with the bill. No one is ever completely satisfied with a compromise, as the Senator well knows.

Mr. President, I do not think I need to try to emphasize the magnitude of the problem dealt with by the bill. I doubt whether anyone has sufficient imagination to visualize the size of this problem. It has been variously estimated by experts and students of economy that our surplus war goods will amount, measured in dollars and cents on a cost basis, to somewhere between \$20,000,000,000 and \$120,000,000,000. That is a pretty wide latitude even for guesses.

The size of the stock of war goods that will be declared surplus will depend upon many things, such as the length of the

war, the suddenness of its termination, and whether or not production is maintained at a high speed until the war is terminated. All those factors enter into the picture. So it is a speculative matter to try to determine with any degree of definiteness the amount of surplus war goods.

The impact of the disposal of those goods upon the social and economic life of our Nation is also a matter of very great speculation. It is difficult to visualize just what that impact will be. In our hearings it was stated that at the close of the last war Secretary Baker described the distribution of \$6,000,000,000 in war surpluses as one of the greatest problems America had ever faced. The most pessimistic among our prognosticators today believe that our problem is many times greater than that following the last war. There are many reasons for such a belief.

There are two extreme views as to how the surpluses should be disposed of. One view is that we should get it over with as rapidly as possible, like jumping into a pool of cold water. It is said that we should jump in, get out, shake ourselves, and have the disagreeable thing over with as quickly as possible. That is one viewpoint. In other words, it is proposed that we have a "fire sale" and get the Government out from under the ownership and the responsibility for the great surplus as quickly as possible, salvaging all we can, under the assumption that we could and should be through with the problem as soon as it is physically possible to do so.

The other extreme view is to padlock surplus goods and hold them back so that private industry might get under way quickly. The argument on behalf of that position is that the indirect losses due to the dumping of surplus war property would be far greater than the loss of the goods themselves. So this school of thought believes that if we hold back the surplus goods, keep them off the markets, and give private industry an opportunity to get started again without the threat of this heavy load of surplus goods the country will more quickly convert to a peacetime basis. I may add that the objective in both viewpoints is to convert from a war production to a peacetime basis at the earliest possible moment.

This bill follows neither of those extremes. It takes the middle road. It does not provide for a "fire sale." It does not provide for dumping. Neither does it provide for withholding. In this bill we have attempted to establish safeguards in the orderly disposal of surplus property, safeguards to protect the social, political, and economic life of the Nation.

The first decision we had to make in committee was whether to have a single administrator or a board. The problem demanded either a policy-making administrator or a policy-making board with administrative powers. Perhaps first I should outline to the Senate the manner in which the disposal problem actually will be handled. Most of us were agreed that the skeleton organization for handling the disposal problem



should begin with the Director of Mobilization and Post-war Adjustment, the office held at the present time by a former Member of this body, Mr. Justice Byrnes. Nearly all the proposals made him the head of the conversion plan from war to peace. So we placed the disposal of war surpluses under his over-all direction.

The next step was the disposal agencies which would be designated to perform the actual mechanical and physical work of disposing of the goods. When I first began the study of this bill I was of the opinion that a single head was the better approach; that one man would be better than two men, that two would be better than three, three would be better than four, and so forth. I will not argue the point. When it comes to efficiency, one man can do a better job than eight. Just as a tyrant is more efficient as an executive than is a democracy. There is no question in my mind about that.

This problem as visualized by Mr. Clayton, the man who was appointed under the directives issued by the President subsequent to the Baruch report, was that his office would be policy making. Mr. Clayton, the man whom the President designated to administer the act, has given constant study, in collaboration with many other men interested in surplus property disposal, to the problem which lies ahead of us. Mr. Clayton came before the Senate Committee on Military Affairs and gave us a picture of his job. He said that his job was not so much to dispose of property as to determine the policies of disposal. He visualized that he would have a very small skeleton staff, and that its principal function would be to determine the policies of disposal.

Of course, the Senate Military Affairs Committee and the Senate must realize that, try as we may, there is no reason to believe that we can write into any act all the rules, regulations, and policies of a program as comprehensive as this. To a certain extent, discretion and policy making must be left to someone. In drafting the bill we tried in every way to have Congress lay down the broad general policies of surplus-property disposal; but the Committee on Military Affairs realized that Congress could not lay down all the policies. It can lay down only the general policy, and much discretion will have to be exercised by someone. Policy making must be in the hands of someone.

Under Mr. Clayton's plan he would be the policy-making agency. The Committee on Military Affairs decided that that function required more than one man, and one man's viewpoint. Senators know that surplus property affects labor, industry, agriculture, and consumers. It affects everyone in the Nation to a greater or lesser degree. The committee felt that a board should be established to determine policies, rather than to leave the determination to Mr. Clayton. So the bill provides for a board of eight, to be appointed from all sections of the country, to be representative of consumers, agriculture, labor, and industry, so that all viewpoints may be represented when policies are determined.

The board would appoint its own director or administrator, and that executive would carry out the will and the findings of the board. So we adopted the board plan rather than the plan of a single administrator.

I might go through the entire bill and point out its many provisions. I do not think I shall take the time of the Senate to do so at this time. There may be many questions by the Members and perhaps we should await their submission.

The committee subdivided the classes of property to the extent that it was possible to subdivide them. This bill deals with property all the way from a darned needle to a locomotive, and from a small wood screw to a bomber costing hundreds of thousands of dollars; it deals with ships; it deals with millions of acres of agricultural and other lands; it deals with many different kinds and classes of property; and we have dealt with each on a different basis. We have not put them all in one kettle and disposed of them as though they were similar. We have separated them therefore and have provided different methods for disposing of these various classes of property. I know that as we proceed with the debate Senators will wish to know just how it is proposed to deal with certain kinds of property. We are prepared to answer questions and explain the various methods of treatment.

I wish to say furthermore that in writing this bill we had before us volumes of testimony which were gathered by various committees of the Senate, including the George committee, the subcommittee of the Committee on Military Affairs headed by the Senator from Montana [Mr. MURRAY], and the Smaller Business Committee. All of them have been holding hearings; some of them have held hearings for as long as 12 months. The hearings have brought forth information which has been the basis of the provisions which we have included in the bill.

Mr. AIKEN rose.

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I simply wished to ask the Senator from Colorado, although perhaps my inquiry should be addressed more especially to the acting majority leader and the minority leader, regarding how much time it is contemplated Senators will have for consideration of the bill. I do not know why any Senator who has not been on the Military Affairs Committee should be in a position to speak on the bill or even to form any judgment regarding how he would vote on the various provisions of the bill until there has been ample time to consider it. I hope no attempt will be made to rush the bill through before Senators have had full opportunity to study it, and also before various persons and organizations outside the Senate have had an opportunity to read the bill and to point out any changes which they might consider desirable.

So I simply am endeavoring to inform myself as to how much time we may expect to have to study the bill. It is an extremely important measure. As I have

said, it appears to me that we should have ample time to study it, and I realize that very few Senators can be expected to speak on it at this time, because we first saw it only a few minutes ago.

Mr. JOHNSON of Colorado. Mr. President, so far as I know there is no proposal to limit debate in any way or to any extent. How long the Senate desires to discuss the bill and to consider it is a matter which is strictly up to the Senate.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. The Senator has expressed exactly the thought I had in mind. It is up to Senators to determine how long they would like to consider the bill, how much debate they wish to have, and how much time they desire to take. There is no disposition at all to rush the bill through.

As the Senator from Colorado knows, the Committee on Military Affairs spent 7 or 8 full days in considering the bill, in endeavoring to give the bill the very best consideration and thought, and to bring it out in the best possible shape. Certainly, I know of no disposition on the part of anyone to rush through the bill or to do anything other than, as the Senator from Colorado has said, to give it all desirable consideration.

Mr. AIKEN. Mr. President, what I had in mind was that usually the time spent on a bill is used by the various Senators themselves in discussing it. I do not see how the Members of the Senate can discuss the bill until after the passage of a little time during which the bill can be studied.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. Undoubtedly some Members of the Senate are prepared to discuss the bill today. I am sure the Senator from Colorado [Mr. JOHNSON] is not only prepared to give a general explanation of the bill but is also ready to answer any questions Senators may have in mind. Furthermore, I understand that the junior Senator from Tennessee [Mr. STEWART], who has made a great contribution to the bill, is prepared to speak on it today, and perhaps also to answer questions.

However, as I have said, I am sure there is no disposition to rush consideration of the bill.

Mr. AIKEN. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, as the Senator from Alabama [Mr. HILL] has said, the bill is not a one-man measure. Many hands have had a part in its preparation. The provisions of the bill are extremely diversified. They are as diversified as is the economy of our country. It affects everyone in our whole country.

As I stated in the first place, the bill which the committee has reported to the Senate is a composite of many bills. Many Senators have devoted long time and study to the matter. The junior Senator from Tennessee [Mr. STEWART] and the senior Senator from Ohio [Mr. TAFT], as well as the junior Senator from Montana [Mr. MURRAY], the chairman of



the subcommittee which gave this bill full consideration, and many other Senators have been very much interested in its provisions. I am sure that if any Senator has any questions to ask regarding any provisions of the bill, we shall try to find the answers.

Mr. AIKEN. Yes, Mr. President; I am sure the Senator from Colorado will be entirely fair about this matter, as he always is about everything else.

At the same time, I realize that even though the committee has worked diligently on the bill, and has brought forth the best possible bill it can, there may be errors in it or omissions. For instance, in scanning it hurriedly I see no reference to certain intangible property such as rights-of-way. Is a right-of-way which has been acquired by the Government covered by the bill? I can think of cases where it might be of extreme importance to have rights-of-way covered.

Mr. JOHNSON of Colorado. If rights-of-way are owned by the Government and are surplus, the bill certainly covers them, as well as any other property. In the bill we have separated property into many different kinds and classes, and have dealt with them separately. But certainly this bill deals with all surplus property. We have, however, provided for no special treatment for intangible property such as rights-of-way.

Mr. AIKEN. Would they be covered under the real-estate section?

Mr. JOHNSON of Colorado. The bill contains a section on real estate. I do not know exactly what the Senator from Vermont has in mind; I do not know what property of that nature might be surplus. But certainly if it is surplus property and if it is now owned by the Government, the bill deals with it.

Mr. CHANDLER rose.

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. CHANDLER. Mr. President, I appreciate the courtesy of the Senator from Colorado.

I merely wish to say to my friend the Senator from Vermont [Mr. AIKEN] and to other Senators who were not on the committee that in the 5 years I have been a Member of the Senate I do not recall any bill which has been given more careful consideration than the pending bill has received, or one in connection with which so many persons have appeared and have had an opportunity to be heard, following which the committee spent consecutive days and nights in endeavoring to write a fair bill. The widest opportunity has been given to all interested parties to be heard and to present their views to the committee.

The bill has the virtue, if it means anything, that every member of the committee who has considered it is in agreement that, although perhaps the bill is not a perfect one, nevertheless it is the best we can do. On both sides of the aisle, both Democrats and Republicans agree that it is the best we can do.

I would not agree to rush into consideration of the bill. It is most important. There may be \$100,000,000,000 worth of property which may be disposed of under the bill. Personally, I was not in favor of letting any one man

be in charge of the disposal of such a vast amount of property; and in that connection, the committee felt that its primary desire was, not necessarily that the disposal be made promptly, but that it be made as carefully as possible, all over the country, in order not to encourage speculation or inflation and in order not to have the disposal made in such a way as to upset the general economy of the Nation.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. I should like to ask the Senator from Kentucky if the bill goes into any detail as to what shall be done with any particular character of surplus property. For instance, I have in mind road-building machinery which could be utilized by States, counties, and agencies of State governments.

Mr. CHANDLER. Mr. President, with the permission of the Senator from Colorado, I would reply that if such property is declared to be surplus as provided by the bill, and if the municipalities or State governments or their agencies have an opportunity to acquire it from the surplus property board under rules and regulations made by the board and by the disposal agencies, what the Senator from Louisiana has suggested could be done. There is the added virtue that such property could thus be acquired at 50 percent of the price which any person might have to pay in the market. Every possible aid and encouragement is given to provide for the use of surplus property by States, municipalities, local governments, and Government agencies in the local communities.

Mr. OVERTON. And such property is to be disposed of to those agencies at 50 percent of its market value; is that correct?

Mr. JOHNSON of Colorado. That is not quite correct. It is to be disposed of at not less than 50 percent of its market value.

Mr. OVERTON. In other words, such governments or agencies will not have to pay more than 50 percent of the market value of the property; is that correct?

Mr. JOHNSON of Colorado. They will pay not less than 50 percent; but they will be able to purchase the property for as little as 50 percent of its value.

Mr. CHANDLER. They will be able to purchase it for as little as 50 percent of what anyone else might offer.

Mr. OVERTON. However, the board could charge them 75 percent; could it?

Mr. CHANDLER. Yes.

Mr. JOHNSON of Colorado. That is true.

Mr. OVERTON. I have one other question to ask. In cases of surplus equipment which might be used for the training of young men in land-grant colleges or other institutions of learning generally, does the bill make any provision as to what shall be done with such equipment?

Mr. JOHNSON of Colorado. Yes; the board has full authority to give such equipment outright.

Mr. OVERTON. Yes; outright.

Mr. JOHNSON of Colorado. It can sell or give the equipment outright.

Mr. CHANDLER. There are provisions contained in the bill for special and specific donations.

Mr. OVERTON. I wish to congratulate the members of the committee. I believe that by substituting a board for one-man control the results will be more satisfactory. I think the provision to which the Senator has referred is a very wise one.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Does the Senator from Kentucky wish to have the floor?

Mr. CHANDLER. I am willing to defer to the Senator from Alabama.

Mr. HILL. I wish merely to invite attention to the fact that on page 46 of the bill, in line 11, there is a caption entitled "Disposal to Local Governments." The Senator will find that the language of section 12 provides for regulations to be prescribed by the board for the disposition of surplus property to educational institutions, municipalities, and other subdivisions of the States and local governments, as well as to non-profit and educational institutions. We made every effort to give educational institutions an opportunity to obtain surplus property. The bill provides for donations.

Mr. OVERTON. Many of us have had an opportunity only to look at the bill.

Mr. HILL. I appreciate the situation in which the Senator finds himself.

Mr. OVERTON. I thank the Senator for calling my attention to the portion of the bill to which he has referred.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. I have not read the bill in its entirety, but have examined only parts of it. In connection with giving away property to local institutions, or charitable institutions, or selling it at greatly reduced prices, are there any limitations contained in the bill with respect to a redistribution of the property? For example, would a city be allowed to buy an immense quantity of materials normally used by cities, and then resell them at market prices, or would individuals be allowed to buy property at 50 cents on the dollar and resell it at higher prices?

Mr. CHANDLER. On page 48 of the bill paragraph (d) provides as follows:

(d) Where property is disposed of pursuant to the provisions of this section, the Board shall see to it that appropriate provisions for control are applied for a period not to exceed 2 years next succeeding the date of disposition with respect to the maintenance of the property, its continued use for the general purpose for which it was acquired, repossession by the Federal Government in the event that the conditions of its disposal are not complied with, and related provisions.

It provides for repossession by the Federal Government in the event the conditions of disposal have not been complied with.

Mr. McKELLAR. The language which the Senator has just read refers to cities, towns, and charitable organizations.

Mr. CHANDLER. Yes.



Mr. McKELLAR. What portions of the bill treat with sales made at 50 cents on the dollar? For example, if wheat, corn, or tobacco were sold at 50 percent of their value, is there any limitation in the bill which would prevent the person buying the property from reselling it at its full value? It seems to me there should be some method of insuring that unbridled speculation shall not take place.

Mr. CHANDLER. There is no provision concerning the sale of agricultural commodities. There is no provision contained in the bill which would permit speculation in any property of that kind.

Mr. JOHNSON of Colorado. If the Senator will permit, I will ask the Senator from Tennessee to refer to page 30 of the bill, and more specifically to subsection (7), which reads as follows:

To assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes.

Mr. McKELLAR. That language is fine, but it is merely a statement, a request, a hope, a mere suggestion. What provision is there in the bill which would prevent such things taking place? The Senator will remember that some years ago Congress passed a bill—I may say that I had the distinction of introducing it and getting it through the Senate—providing that under certain circumstances Government contracts could be renegotiated. If by a mistake, or for any other reason, the Board should sell in large quantities at 50 cents on the dollar a product which was necessary in the interest of the public, and immediately thereafter the purchaser of the property should resell it for 100 cents on the dollar, it would be a very inadvisable transaction, and there should be some provision inserted in the bill with regard to renegotiating such a contract.

Mr. JOHNSON of Colorado. Of course, the bill does not apply beyond the first sale. The United States Government first sells the property to a purchaser. The provisions of the bill do not apply beyond the first sale, and do not follow the goods until they are completely worn out or have no value. The bill does not do anything of that kind, but it does safeguard the first sale; and that, it seems to me, is the problem which Congress must face.

Mr. McKELLAR. We have had experience with matters of that kind. We had such an experience following the First World War, and Congress was obliged to enact a law providing for the renegotiation of contracts. The enactment of the law resulted in savings to the Government of hundreds of millions of dollars. Some such provision should be inserted in the pending bill because we should not open wide the doors to speculators. A mere suggestion to speculators that they should not do this or that will not be sufficient. There should be a provision in the bill covering the matter.

Mr. JOHNSON of Colorado. I invite the attention of the Senator from Tennessee to page 31 of the bill, subparagraph (2). At that point the following provision is found:

To utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this act (without discriminating against the establishment of new enterprises).

That is only one of the many safeguards which we have tried to provide in the bill in order to avoid the very difficulties to which the Senator from Tennessee has referred.

Mr. McKELLAR. I do not believe the courts would pay much attention to such language. If a sale were made and subsequently inquired into I do not think the courts would give much effect to such language. What I should like to see is a provision inserted in the bill that when a resale has been made at a tremendously exorbitant price, there shall be a renegotiation of the sale so that the rights of the Government may be protected. As I understand—and I think the Senator so stated a few minutes ago—there will be hundreds of millions of dollars of surplus property as an aftermath of this war. When we realize that we will owe approximately \$300,000,000,000, it makes us all feel that we should take every precaution against the sale of surplus property to speculators to be used by them in making exorbitant profits at the expense of the people. I believe there should be a renegotiation of contract provision in the bill, and I hope the members of the committee, who are doing a splendid work and are endeavoring to be perfectly correct in everything they do, will see that such a provision is inserted. I think that we should all be very careful in taking necessary precautions against the activities of speculators.

Mr. CHANDLER. Mr. President, I think we have taken all necessary precautions. What the Senator from Tennessee is trying to have accomplished is a renegotiation of a sale between two private individuals, and I am at a loss to understand how that can be done under this bill. We have been careful to keep surplus property out of the hands of speculators.

Mr. McKELLAR. If the Senator from Kentucky will examine the present renegotiation law he will see that it provides for doing the very thing to which he has referred.

Mr. CHANDLER. But the renegotiation law provides for the renegotiation of contracts between the Government and some corporation.

Mr. McKELLAR. No; it applies to individuals after the matter has passed from the control of the Government.

Mr. CHANDLER. In the situation to which the Senator from Kentucky has referred, two individuals would be trading with each other after the surplus property had been disposed of by the Government, and the Government had received its money. I do not know how it would be possible to prevent two individuals from trading with the property after the Government had sold it.

Mr. JOHNSON of Colorado. I should like to point out to the Senator that even in the renegotiation law Congress saw fit to remove from its application all small transactions. In the pending bill we

would deal with transactions right down to a darning needle.

Mr. McKELLAR. I think that is very advisable. There are many small transactions that could be accepted, just as they were in the renegotiation law of which the Senator speaks; but in the large transactions, especially where millions and perhaps billions of dollars may be made through the sale of surplus property we ought to be very careful. That is all I am asking.

Mr. HILL. Mr. President, I think that the Senator from Tennessee is entitled to the highest commendation for the outstanding services he rendered in the matter of the renegotiation of contracts. With the bill now before us it resolves itself down to a practical proposition of whether or not we can do under this bill what was done in the matter of the renegotiation of contracts. I understand that the distinguished Senator from Tennessee has been working on a suggested amendment to take care of this situation. I want to say to my friend from Tennessee, who did such a wonderful job and rendered such an outstanding service in the matter of the renegotiation of contracts, that if he can offer a workable and practical plan to meet this situation I shall certainly be very favorably disposed toward his proposal.

Mr. McKELLAR. I thank the Senator very much.

Mr. JOHNSON of Colorado. I join with the Senator from Alabama in that expression.

Mr. McKELLAR. I thank the Senator from Colorado, who has the bill in charge, and the other Senators who have expressed themselves along that line.

Mr. AIKEN. Mr. President, will the Senator from Colorado give me a little more information?

Mr. JOHNSON of Colorado. I am glad to yield.

Mr. AIKEN. Suppose there was a million-dollar housing project that was determined to be surplus; is the board required to dispose of that at not less than 50 percent of its cost?

Mr. JOHNSON of Colorado. No; the 50 percent provision that was referred to a moment ago has to do with municipalities, States, and local units of government.

Mr. AIKEN. Is it 50 percent of cost or 50 percent of value?

Mr. JOHNSON of Colorado. Fifty percent of what somebody else may bid for it, some private individual.

Mr. AIKEN. Fifty percent of the highest bid which may be made by someone else?

Mr. JOHNSON of Colorado. That is permissive; it is not compulsory; the board does not have to accept that kind of a bid.

Mr. AIKEN. Is there anything in the bill which would prevent the sale of Federal housing projects for 15 cents on the dollar?

Mr. JOHNSON of Colorado. Oh, yes. If the Senator will turn to page 75 he will find the following provision:

(b) Nothing in this act shall impair or affect the provisions of the Emergency Price Control Act of 1942, as amended; the act of October 2, 1942 (ch. 578, 56 Stat. 765), ~~as~~



amended; section 301 of the Second War Powers Act, 1942; the act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, respecting war housing.

Nothing in this bill will affect that act, and that act provides not only for the building of war housing but also for the disposal of war housing. This proposed act does not interfere in any way with such disposal.

Mr. AIKEN. I do not recall the provisions of the act governing the disposal of housing, either permanent or temporary.

Mr. JOHNSON of Colorado. There is nothing in this bill that permits the sale at 15 percent or any other percent of its value.

Mr. AIKEN. Value and cost are very likely to be entirely different figures.

Mr. JOHNSON of Colorado. Yes; that is why we have not dealt with figures as such.

Mr. AIKEN. Is there anything in the bill which controls the price or the sale of aircraft plants and shipyards?

Mr. JOHNSON of Colorado. On page 31 the Senator will find a provision which reads:

(d) For all classes of surplus property, to obtain the highest return for the Government consistent with the foregoing objectives.

That does not mean 10 cents on the dollar or 5 cents on the dollar. This is an anti-dumping bill, antifire sale bill, to use the strongest expression I can think of at the moment regarding it.

Mr. AIKEN. I should like to say that under this bill as it is written goods could be sold for 10 cents on the dollar, could they not? I am asking for information. I do not want the Senator to think I am offering a criticism; I merely wish to know the facts.

Mr. JOHNSON of Colorado. We have not placed any prohibition against 10 cents on the dollar; we have not said that property could not be sold for 10 cents on the dollar, if that is what the Senator means, but that is not contemplated, of course.

Mr. AIKEN. But there is no restriction on profits, so that a group of speculators, or a group getting together and forming a speculative company, could buy for the lowest possible price and then sell for the highest.

Mr. JOHNSON of Colorado. The anti-trust laws would take care of that. The bill contains provision against collusion of that kind and against fraud.

Mr. AIKEN. Could not a group of six people with plenty of money get together and buy Government property without having any restriction or any limitation on the profits they might make?

Mr. JOHNSON of Colorado. That is the question the senior Senator from Tennessee addressed himself to a moment ago. We do not go into the matter of resales; we attempt to stop the flood-gates at the dam; we do not attempt to go on down into the economic value, which goes all the way to the point where the good become worthless. We attempt to do the job with the Government controlling, and not to enter into transac-

tions between individual citizens. That is not the theory of the bill.

Mr. AIKEN. May I ask one more question? Under the provisions of the bill would a small purchaser, who perhaps wants a hundred units, be able to buy on equal terms with a great corporation which would buy millions of units, and then distribute the property through small concerns which perhaps would be doing about the same amount of business?

Mr. JOHNSON of Colorado. There is such a provision in the bill; the Smaller War Plants Corporation has that authority under the bill.

Mr. CHANDLER. Mr. President—  
Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. CHANDLER. I think I can answer the question of the distinguished Senator from Vermont. In section 14, under the heading "Small business," on page 49, it is provided:

SEC. 14. (a) It shall be the duty of the Board, and it is hereby authorized and directed, to devise ways and means and prescribe appropriate regulations and directives, to prevent any discrimination against small business in the disposal and distribution and use of any Government property covered by this act. To that end the Board shall cause the disposal agencies to adopt and pursue the following measures:

It does not say they may do so; it says they shall do so—

(1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.

(2) Reduce lots or blocks of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.

(3) In appropriate cases in the discretion of the agency or the board, arrange for sales on credit or time bases, or such other terms or conditions as will preserve the competitive position of small business enterprises in the purchase or acquisition of surplus property and accord them a fair opportunity for the acquisition thereof.

Those are not permissive provisions; they are directive; the bill says the board shall do those things, break the property up into small lots and provide for its widest distribution. I repeat the opening statement I made that we do not want to sell the property in large lots, and we have done everything we could do to prevent the property falling into the hands of speculators and everything, or any appreciable amount falling into the hands of speculators. They, too, would have to buy the property at the level at which small business concerns, or most of them, are paying for the things they want and need for distribution in local communities to the widest number of people. I think that covers the point raised by the Senator.

Mr. AIKEN. I think the provision is an extremely desirable one, and I thank the Senator from Kentucky for his explanation.

Mr. TOBEY. Mr. President—

Mr. JOHNSON of Colorado. I yield to the Senator from New Hampshire.

Mr. TOBEY. Is the determination of what constitutes a surplus to rest with each department, or is there an explicit definition of "surplus" in the bill?

Mr. JOHNSON of Colorado. It is left with each department. However, if, for instance the War Department, for the War Department has more surplus goods than any other owning agency of the Government, should think that goods were surplus and a dispute should arise between the War Department and the disposal agency on that ground, or if the board should think that the War Department was hoarding or holding back, the board would not have the power to take the supplies or property away from the War Department; it would not be given that opportunity, but would have to report to Congress, because it is the constitutional duty of Congress to provide for the support of the Army and Navy. So if the board thinks that any agency is holding back surplus goods, the facts can be reported to Congress, and Congress can deal with the matter.

Mr. TOBEY. Mr. President, one other question. With reference to surplus merchant ships of the country, this bill provides that such ships shall be left with the Maritime Commission to handle in accordance with the act of 1936. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. TOBEY. So that Congress has nothing to do with that, but this active agency, the Maritime Commission, will try to sell ships as they think best on what terms they think best and the agency provided for in the bill, whether made up of one or eight, will have nothing to say. Is that correct?

Mr. JOHNSON of Colorado. In line 11, on page 35, there is a proviso which covers the point the Senator is making. The proviso reads:

*Provided, however,* That the United States Maritime Commission shall be the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use, and that such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels, until otherwise provided by law.

In other words, they must be disposed of in accordance with acts of Congress.

Mr. TOBEY. The net result of that would be that the liquidating agent, whether a one-man agent or an eight-man board or commission, as provided in the House bill, would be out of the picture so far as merchant ships are concerned. That would be entirely in the discretion and judgment—and the good judgment, I believe—of the Maritime Commission.

Mr. JOHNSON of Colorado. Yes; that is correct. The Maritime Commission will be guided, of course, by the acts of Congress.

Mr. TOBEY. Yes, and will report to the Congress after sales are made.

Mr. JOHNSON of Colorado. Yes. The Maritime Commission does that. As I



pointed out earlier today, the bill approaches different classes of property on different basis. Merchant vessels, for example, are handled in the way just stated.

Mr. TOBEY. Are there many items in the surpluses of the country as a whole which would be transferred to an agency to handle rather than to the man or the men who will be appointed under this bill? Or are there only a few exceptions?

Mr. JOHNSON of Colorado. There are only a few exceptions. Agricultural land and other lands.

Mr. TOBEY. And food supplies? It is contemplated, is it, in respect to food supplies?

Mr. JOHNSON of Colorado. Yes; the food supplies are handled in cooperation with the War Food Administration. Lands are handled through the Secretary of Agriculture and the Secretary of the Interior. The very good reason for that is that these agencies are existing agencies, going concerns. They are prepared, and have made long study of the subject, and are fortified with acts of Congress and established policy, and they will deal with these questions.

Mr. TOBEY. They are specialists?

Mr. JOHNSON of Colorado. Yes; they are specialists; and the committee did not think it would be advisable to set up a wholly new department to deal with the disposal of land. We preferred to use the agencies which Congress has already established, which are going, which are functioning, which understand the problem, which have programs under which to work.

Mr. TOBEY. I should like to ask the Senator from Colorado one other question. Before taking out the merchant marine vessels, and foods, and public lands, and so forth, which, under the provisions of the bill as presented to the Senate today, are placed under special agencies, that is, existing agencies, to conduct the sale, which in my judgment is a constructive step, what percentage of the whole amount of the surpluses will be taken care of by existing agencies, and what percentage will be taken care of by the administrator or administrators to be appointed under the provisions of the bill? We hear many loose statements made of \$50,000,000,000 or \$100,000,000,000 of surpluses. The question is, how much the net result will be after these special agencies, such as the Maritime Commission and the War Food Administration, complete the sales of surpluses under their jurisdiction? Has the committee considered that point?

Mr. JOHNSON of Colorado. Yes; we have considered it. I do not think it is possible for that information to be obtained by anyone at the present time. I do not believe a complete break-down can be had into the classes of surplus property. That is something which I believe cannot be determined at the present time. I cannot answer the Senator from New Hampshire directly, except to tell him that there are very large acreages of land, and they do have considerable value.

Mr. TOBEY. Translated into assets and into a book estimate, would it be

true that more than half of the surpluses on hand at the present time would be handled by special agencies, existing agencies, rather than by the administrator or administrators to be appointed under the terms of the bill? I am now speaking in terms of value.

Mr. JOHNSON of Colorado. No; I think that such an estimate would be entirely erroneous.

Mr. TOBEY. Does the Senator mean that it would be too great?

Mr. JOHNSON of Colorado. Yes.

Mr. TOBEY. So that they would not begin to handle 50 percent of the total?

Mr. JOHNSON of Colorado. They would handle more than 50 percent.

Mr. TOBEY. They would handle more than 50 percent?

Mr. JOHNSON of Colorado. Yes; I thought the Senator from New Hampshire was talking about it from the other angle.

Mr. TOBEY. So the whole amount handled by the agent or agents created under the terms of the bill would be more than 50 percent of the total surpluses?

Mr. JOHNSON of Colorado. Let us be sure we are talking about the same thing. It is only a guess on my part, I will say, but under the provisions of the bill I would say that the board which it is proposed to set up will have direct control of 80 percent of the total surpluses, on a dollars-and-cents basis. Of course I cannot estimate the value of ships. I do not know how much the ships will amount to in billions of dollars. But certainly it cannot be a very large percentage. It could not be more than 15 percent, but that is purely a guess on my part. Land would represent perhaps 5 percent, or less than 5 percent.

Mr. TOBEY. How about food supplies?

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a question?

Mr. JOHNSON of Colorado. I shall be glad to yield, but let me answer the Senator from New Hampshire further with respect to food supplies. We do not turn them over to the War Food Administration. The W. F. A. does have a considerable say in the final distribution, and we placed such a provision in the measure as a safeguard to agriculture, so that food supplies might not be dumped on the agricultural markets and destroy them.

Mr. AIKEN. Mr. President, will the Senator permit an interruption at this point?

Mr. JOHNSON of Colorado. If the Senator from Vermont will indulge me, I should like further to explain the scheme of this bill. The bill attempts to use Government agencies throughout. The board, or Mr. Clayton as the administrator for the board, or a single administrator, whoever might occupy the office, would not sell one single article under the terms of any of the bills. They would all be sold by disposal agencies, and the disposal agencies are Government agencies which are already set up. We are not going to set up a bureau consisting of 5,000,000 persons or 2,000,000. We are not going to establish Government sales agencies all over the

country. We are going to use the existing Government agencies, and make them disposal agencies so that the organization which will be set up under the provisions of the bill to handle this matter will be a very small organization comparatively, and it will use Government agencies throughout to do the actual work of disposal.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me for a comment?

Mr. JOHNSON of Colorado. Yes; I yield to the Senator from Maryland.

Mr. RADCLIFFE. The Senator will recall that there already has been disposal of some of the ships under the jurisdiction of the Maritime Commission. I merely wish to emphasize the fact that whenever it has been found that certain kinds of ships in ownership or control of the Maritime Commission are no longer needed and can be returned to the former owners, or otherwise disposed of, that is done, but always as the result of special legislation which has been framed for that purpose. It is my recollection that several such bills have already been passed, and one is pending at this time. I feel quite confident that such a general policy will be followed. Certainly before there will be any disposition on any large scale of the ships under the jurisdiction of the Maritime Commission, there will be additional legislation passed for that purpose. Such plans for disposition will follow along the lines of existing legislation plus such additional legislation as may develop from time to time.

Mr. TOBEY. I might interpolate and say to the Senator from Maryland that of course the demand for ships as a commodity is much more restricted and limited than the demand for many other things the Government will have to sell.

Mr. RADCLIFFE. Yes, but there has been quite an active demand for the return of ships, especially some of those which were taken over by the Government by lease, purchase, or requisition, to meet the urgent need for shipping at the time when we were hard pressed for necessary shipping for war purposes. Such ships have been returned, so far as it has been feasible to do so. However, I rather imagine there will be a very decided demand for our ships just after the war, for quite a long while at least.

Mr. TOBEY. I hope so.

Mr. RADCLIFFE. I believe there will be a lively and urgent demand for ships both in this country and in other countries which will not have ships in adequate quantities.

Mr. TOBEY. It is probable that the Senator from Maryland is right. I hope so.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Yes; I yield to the Senator from Kentucky.

Mr. CHANDLER. I can furnish some information which may be of interest to the Senator from New Hampshire. A preliminary report was filed on the 21st day of July of this year on behalf of the Senate Small Business Committee pursuant to Senate Resolution 66. Officials of the War Production Board,



as set forth in the report, indicated, although I will not say that it is entirely authoritative, that it is their best guess at the moment that there will be approximately \$10,000,000,000 worth of ships to be disposed of at war's end. Then they estimated the surplus war housing to be approximately \$3,000,000,000. That would be a total of \$13,000,000,000. And there are about 6,500,000 acres of surplus real estate. Of course, that would be handled by the Department of the Interior and the Secretary of Agriculture. The land offices under the Department of the Interior are already in existence. The bill provides for an all-time, up-to-date inventory on all the real property which the people of the United States own, and that will all be under the Department of the Interior, and will be made available to the people through the land offices. Then when the time comes to make disposition of surplus acreage under the provisions of the bill, of which there will be approximately, according to the best estimate, 6,500,000 acres that will be done through the Secretary of the Interior and the Secretary of Agriculture, and if for any reason they do not agree, then the Director of War Mobilization is the referee under the general umpire clause.

A while ago I gave a figure of approximately \$100,000,000,000. According to the estimate made in this report, the total amount of surplus property at war's end will be \$103,828,000,000, or approximately \$104,000,000,000 worth.

In order that we may be able to realize the magnitude of this problem, I wish to make a statement concerning our experience after the last war. On the 12th day of November 1918, 1 day after the armistice, the surplus property accumulated by the Government—and that was the largest amount ever accumulated in our history up to that time—was worth, according to Mr. Newton Baker and others, about \$6,000,000,000. That will give an idea of how, in geometric proportion, the amount of surplus property has increased in this war as compared to World War No. 1.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. ELLENDER. I wish to ask the Senator a few questions in respect to the composition of the board.

I notice on page 32, section 2 (a), that the board is to be composed of eight members. I presume that those eight members would have charge of prescribing the methods by which the property would be disposed of and of designating policies.

Mr. JOHNSON of Colorado. The Senator's supposition is entirely correct.

Mr. ELLENDER. Under subsection (b) I notice that the President of the Senate and the Speaker of the House of Representatives are to select two Senators and two Members of the House, respectively, to sit on the board. What is to be the function of those Senators and Representatives? What will they have to do in regard to policy making?

Mr. JOHNSON of Colorado. I should like to refer that question to the Senator from Wyoming [Mr. O'MAHONEY].

The Senator from Louisiana has asked what the function of the congressional representatives provided for in the bill would be, exactly how the plan would operate, and what are its virtues. I am sure the Senator from Wyoming can answer that question, because he is the author of that very wise provision.

Mr. O'MAHONEY. Mr. President, I shall be very glad to attempt to do so.

First, it should be said that in time of war it always becomes necessary in a democratic country to vest extraordinary powers in the Executive, because in wartime immediate action is very much more important than deliberation. On the contrary, in time of peace, the objective should be to deliberate, in order to be certain that no policies are adopted which may be upsetting to the economic, social, or political welfare of the people.

We have gone through the experience of delegating broad legislative powers to executive boards and agencies for the purposes of the war. It had to be done. Now, however, we are preparing to enter a reconversion period, in which, if there is concentrated Government authority over policy-making questions, great public interests may easily be sidetracked. Moreover, a bill of this kind necessarily delegates broad legislative authority in the formulating of policies. It was because of that fact that the very wise provision suggested by the Senator from Colorado, for establishing a board instead of a single individual authority, was adopted.

Legislative powers and policy-making powers being conveyed, it was the belief of the committee that the Congress should have the opportunity, through members appointed for the purpose, to know what is going on at the time it is going on, instead of being compelled, as we now are, to wait until after the fact, to learn, by investigation or press releases, what has been done. In other words, the purpose of this provision is to provide effective surveillance by Congress.

Mr. ELLENDER. Does not the Senator concede that all of us have about as much as we now can do in the Senate? I think it would be idle to think that any two Senators or any two Members of the House would have sufficient time to look into the various things which the Board may do.

Mr. O'MAHONEY. That is the argument upon the basis of which we surrender our legislative powers.

Mr. ELLENDER. On the other hand, I fear that this may be considered an encroachment by the legislative branch on the executive. My own thought about the matter is that we ought to leave to the executive the administration of any laws which we enact. I should much prefer to have this provision stricken from the bill, and have adopted a resolution providing for the appointment of five or seven Senators to investigate the disposition of all war surpluses. I believe that with such a committee to investigate sales, the various governmental agencies would be more likely to follow the law.

Mr. O'MAHONEY. Let me say to the Senator that the theory of the bill is that we should not institute investigating

committees after the horse has been stolen, but that we should take precautions before the stealing of the horse, so that investigations thereafter will not be necessary.

Mr. ELLENDER. I believe that it would be very helpful to have such a committee created at the moment. The Senator well knows that up to the present time much property has been sold by various governmental agencies. The resolution which I propose to present for the consideration of the Senate will deal not only with the future disposal of surplus commodities, but also with past sales. I feel confident that it would be better to create such a committee than to have two busy Senators and two busy Representatives attending the meetings of the board and trying to follow its work.

Mr. O'MAHONEY. Personally, I believe that Senators cannot be too busy to do so important a job as this.

Mr. ELLENDER. On the other hand, if I may point out to the Senator, the only thing which the two Senators and two Representatives could do would be to report back to the Senate and the House what was being done by the board. As I understand the provisions on page 41 of the bill, the board would be required to make reports to the Congress every 3 months. Would not that be satisfactory, or serve the same purpose?

Mr. O'MAHONEY. In my opinion, and in the opinion of the committee, it would not, because, again, it would be after the fact.

The purpose and philosophy of this provision, and of the whole section of the bill dealing with reports and planning, is to bring about the closest possible cooperation between the Congress and the agency. I feel that it falls into an utterly different category from the ordinary executive agency, because it is clothed with power to dispose of surplus property for which the people of the United States have paid with red ink, to the extent of \$100,000,000,000 or \$150,000,000,000. We do not know the exact value, but we do know that, whatever the cost may have been and whatever the present value may be, the disposition will have a tremendous effect upon the economy of this country, upon every area, every State, and every community. If ever there was a time when we ought to have the closest bond between Congress and the executive agencies, it is in the disposition of property of such great value.

Mr. ELLENDER. I should prefer to be in a position to view the activities of the board from a critical standpoint. I should prefer to enact the law and let the executive agency administer it, and then have a committee appointed to see to it that the executive agency carries out the wishes of Congress. I believe such a plan would be much more effective than the plan of making the legislature a part of the executive branch, which would probably preclude us from criticizing in the future.

Mr. O'MAHONEY. Mr. President the theory of this provision was exactly the thought of the Senate when, in passing the George bill a week or so ago, it gave its approval to that section of the bill



which established a joint committee of the Senate and House to maintain close cooperation with the reconversion plan.

Mr. ELLENDER. However, in that case the committee was not a part of the agency. In this instance it is proposed to make the two Senators and two Representatives members of the board.

Mr. O'MAHONEY. Oh, no. The Senator is mistaken.

Mr. ELLENDER. They would sit on the board.

Mr. O'MAHONEY. They would be entitled to sit with the board.

Mr. ELLENDER. They might offer suggestions which would be followed, and the Congress as a whole would be blamed.

Mr. President, with the permission of the distinguished Senator from Colorado, I send to the desk an amendment to the pending bill, striking out subsection (b) of section 2.

The PRESIDING OFFICER. Is the Senator now offering the amendment?

Mr. ELLENDER. No. I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. ELLENDER. I also send to the desk a resolution reading, in part, as follows:

*Resolved*, That a special committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to the sale and other disposition of surplus Government-owned property. Such committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it may deem advisable.

The PRESIDING OFFICER. Without objection, the resolution will be received and referred to the appropriate committee.

The resolution (S. Res. 324) was received and referred to the Committee on Military Affairs, as follows:

*Resolved*, That a special committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to the sale and other disposition of surplus Government-owned property. Such committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. CHANDLER. Mr. President—  
Mr. JOHNSON of Colorado. Mr. President, will the Senator from Louisiana permit the Senator from Kentucky to make a few comments on the statement which he has just made?

Mr. ELLENDER. Certainly.

Mr. CHANDLER. Mr. President, I believe that subsection (b) of section 2, which the Senator from Louisiana seeks to strike out, should be read into the RECORD. It reads as follows:

(b) In order that the elected representatives of the people shall be kept informed of the activities and the policies of the Board, the President of the Senate shall appoint two Members of the Senate and the Speaker of the House of Representatives shall appoint two Members of the House of Representatives who shall be entitled to attend any meetings of the Board and who shall from time to time report to the Congress or to their respective Houses on the proceedings of the Board. It shall be the duty of the chairman of the Board to advise such Members of all general or special meetings of the Board.

Mr. President, I sincerely hope the Senate will not strike out that provision. The Senate agreed to the appointment of the Truman committee, and the Truman committee operated during all the time when contracts were being given to plants and to various persons all over the country to produce war materials. It was an active committee in charge of investigations on the spot.

I think it would be salutary and that it would have a desirable effect on those who are going to administer this law, if two Members of the Senate and two Members of the House of Representatives, busy as we all are, or are claimed to be, served in that capacity. No more important function is to be performed at the moment, it seems to me, than to see to it that this surplus property be fairly and honestly distributed among all the people of the country and that the widest possible opportunity be given to the people to share in the disposal of the surplus property. I think the board should understand that such Members of the Senate and the House of Representatives will be present when important matters regarding the disposal of surplus war property are considered.

I concur in the statement made by the Senator from Wyoming [Mr. O'MAHONEY] that too often we set up agencies and permit them to handle matters for us, and later we appoint a committee and authorize it to spend large sums of money to investigate such agencies. If it finds that those charged with administration of the agency did not administer it correctly, all we can do then is to condemn them. That will not get back the property or the money.

I have no objection to having my friend offer a resolution calling for an investigation if the circumstances warrant an investigation. But all too often we do that, instead of preventing abuses in the first place. As I have said, by means of an investigation we are able to find out whether a particular agency has mistreated the people or has done what it should not have done, or has improperly disposed of property, but by that time

the action has been taken and the damage has been done.

Mr. ELLENDER. Mr. President, the Senator has stated that the four Members of Congress who will serve on the board will have no power, and that all they will be able to do is listen. How would they know whether a true picture was being given?

Mr. CHANDLER. They could attend a given meeting at which ships or airplanes or land were being disposed of, and subsequently could come directly to the Senate or the House, as the case might be, and could make a report. Such action might result in preventing a sale which conceivably might result in great loss to the people of the country.

Mr. ELLENDER. Does the Senator think that such Senators or Members of the House of Representatives will attend the meetings of the board?

Mr. CHANDLER. They will attend the meetings, or will have the right to attend.

Mr. ELLENDER. The question before the board at its meetings will be only that of the determination of policies.

Mr. CHANDLER. Then the Senate and the House of Representatives should have representatives there. I admit such service would be a burden; but it is a burden we should carry, and should not shirk, for the matter is of great importance.

I sincerely hope the Senate will not agree to strike that provision from the bill.

Mr. ELLENDER. Mr. President, I do not believe at all that the question is one of shirking our duty. I believe we could do a better job by letting the board and everyone else concerned—everyone who buys such property—know that we expect the letter of the law to be followed.

Mr. CHANDLER. We always do that.

Mr. ELLENDER. I think it would be more salutary to have the board look into such matters and make sure that the laws passed by the Congress are properly executed, rather than to have four Members of Congress attend the meetings, and thereby lead the public to believe that they are members of the board and are agreeing with all the board does. That is what will result if we make certain Members of the Senate and of the House of Representatives parties to the proceedings of the board with a view that, by being members of the board, they will know everything that occurs.

Mr. CHANDLER. No, Mr. President; I do not say they will know everything that occurs. But I assume they will have an opportunity to know. I think that is one of the duties and responsibilities of a Senator or of a Member of the House of Representatives, especially in connection with a matter so important as the one now under consideration. Of course, the very opposite of making failures and mistakes is to see to it in advance that they are not made.

Mr. ELLENDER. But the public would be under the impression that, inasmuch as four Members of Congress were members of the board, everything was going



on nicely. I would prefer to have Members of Congress see to it, as is our right, that the laws are properly executed by the Executive.

Mr. CHANDLER. It is something more than a right, Mr. President; it is a duty. The Members of the Senate and Members of the House of Representatives who will be on the board will have been elected by the people; they will not merely be appointed to boards or bureaus; they will not be merely bureaucrats. The result will be that there will be better administration. I think that the provision in the bill will contribute to the better administration of the entire act.

Mr. JOHNSON of Colorado. Mr. President, I should like to say a further word on that point. The board is to be the policy-making agency. It is to be a legislative board. The Congress cannot escape delegating some legislative power and authority to the board. The board will not be exactly an executive board, in the true sense. It will be a board which will outline policies.

Mr. Clayton, who now occupies the office, very recently drafted a proposed plan to organize tax-supported entities for the purpose of buying surplus war property. The plan he drew up filled six or seven pages of fine print, by the time all its provisions were set forth.

Yesterday, Mayor LaGuardia was before the Mead committee, formerly the Truman committee. At that time he criticized the piece of legislation which was drafted by Mr. Clayton and was subsequently enacted into law. Mayor LaGuardia said, after he had presented the plan:

You will find that rather illuminating. This plan, I think, was rather amateurish, and it will not work. I have consulted with many of my colleagues in other cities, and they agree with me.

Then Senator FERGUSON asked:  
Whose plan is it?

Mayor LaGuardia replied:

Mr. Clayton's. I told him I would have nothing to do with it.

Here is a plan organized by Mr. Clayton to take care of such conditions in the municipalities, and the mayor of our largest municipality says it is amateurish.

I mention that to illustrate the fact that the board will be establishing rules and regulations, something which we cannot do by law in all instances.

Mr. CHANDLER. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I should like to say that in this instance I think the Congress has a constitutional duty which is not involved in every case. Under article IV, section 3, of the Constitution, provision is made—and I especially call the attention of my friend the Senator from Louisiana to this provision—

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

I think that provision of the Constitution bears on the matter now before the

Senate, because under the pending bill we are delegating an authority which, under the Constitution, we should be careful to watch; namely, the authority to dispose of the property of the people of the United States. Under the Constitution we are bound to see that it is done properly, if we are able to do so.

Mr. ELLENDER. The Senator knows that in the past that has been done by legislating on the subject, and under article II of the Constitution, by putting the execution of the law into the hands of the Executive.

My fear is that if the legislative branch becomes in any wise involved in the matter of determining policy, or becomes in any wise mixed up with the matter of the sale of surplus commodities, the public itself will take it for granted that, inasmuch as Members of Congress are on the board, everything will be all right; and the public at large will not be worried about it.

Mr. CHANDLER. They will not be on the board; the Senator is in error about that. There is no provision for Members of Congress to be on the board.

Mr. ELLENDER. I understand that. But we will not be able to make the average citizen believe they are not on the board. It is true that the Members of Congress will be there as listeners, and will not take action. But Congress will be blamed.

Mr. CHANDLER. The members of the board will be appointed, not elected. But the Members of Congress who will serve on the board will, of course, have been elected, and will represent their constituents. It is my belief that they should serve in that capacity.

Mr. McFARLAND. Mr. President, I believe the Senator takes the position that full publicity and information to the public and full responsibility to the public constitute the best system which can be used.

Mr. CHANDLER. The Senator is exactly correct. If the Members of Congress attend the meetings of the board, publicity will be given. The people should know, and I want them to know.

Mr. McFARLAND. Does the Senator think it is sufficient to invite such Members of Congress to attend?

Mr. CHANDLER. Let me say to the Senator from Arizona that the Senator from Louisiana [Mr. ELLENDER] misconceives the idea with respect to this matter. Such Members of Congress will not be members of the board. They will not preside at the sales of property. They will not go into the disposal agencies and try to officiate or meddle or interfere. But the board will understand that when it makes rules and regulations or decides on any such matters, there will be present Members of Congress who can report promptly to the Senate and to the House of Representatives what is going on.

Mr. McFARLAND. I agree with the Senator that it is most important that not only Congress but the people know all about those transactions.

Mr. CHANDLER. Certainly.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Louisiana said he had other questions to ask. I

shall be glad to hear further from him at this time.

Mr. ELLENDER. Mr. President, the next question I desire to ask is whether in the committee there was any discussion or any division of opinion relative to the question whether Members of the Senate and House of Representatives should be appointed?

Mr. CHANDLER. No.

Mr. ELLENDER. In the meantime, the Senator from Kentucky has, I think, answered the question.

From what I understand, the committee was unanimous in agreeing on the adoption of section 2 (b). Is that correct?

Mr. CHANDLER. This bill is an unusual one in that respect; if I am in error I hope my friend the Senator from Colorado will correct me. The committee was unanimous in its approval of every section, every paragraph, and every line of the bill. It was carefully gone over. We present it to the Senate with the unanimous approval of all members of the committee, both Republicans and Democrats.

Mr. ELLENDER. I understand there was considerable discussion.

Mr. CHANDLER. Oh, yes. Of course, we had differences of opinion during the discussion, and many times we were forced to sacrifice our personal views. But when we finally got ready to make the report it was the best we could do under the circumstances. As one member has already said, we were giving and taking. One member insisted that we were doing all the giving and not receiving anything. The members of the committee finally arrived at an accord, so far as possible, with regard to all provisions of the bill. The bill represents the best we could do, and I believe the Senator from Colorado will bear me out in that statement.

Mr. JOHNSON of Colorado. Yes; that is a true statement. There were differences of opinion with regard to sentences and paragraphs. Ten days were consumed in discussion.

Mr. ELLENDER. I am sure the Senator from Kentucky and the Senator from Colorado, in fact, the entire Senate, are desirous of seeing that all necessary safeguards are placed in the bill. I am wondering what would be the reaction of the distinguished Senator from Kentucky if we should leave in the bill paragraph (b) of section 2 on page 32 and in addition thereto provide for the appointment of seven Senators to see that the law is carried out.

Mr. CHANDLER. I am a member of the Senate Committee on Military Affairs, and if the Senator will have a resolution to that effect referred to the committee, I will assure him that the committee will give it most careful consideration. I do not know, however, what the attitude of the committee will be.

Mr. ELLENDER. I wish only to insure that all proper safeguards with regard to the sale and distribution of surplus property are made a part of the law.

Mr. CHANDLER. I understand the Senator. I share the Senator's views.

Mr. JOHNSON of Colorado. I agree with what the Senator from Kentucky



has said. I may also state that a committee of the kind which the Senator from Louisiana has in mind would prove very valuable to the country, not only with regard to surplus property, but with regard to the entire reconversion program which is to be set up under the Director of War Mobilization. The program has three well known legs which the Congress has already considered. Surplus property is only one of them. Another leg is the termination of contracts. The third leg is the so-called George bill which the Senate recently passed. As I understand, all the functions to which I have referred are to be placed under the Director of War Mobilization, and I believe that a special committee of the Congress to watch the matter very carefully would be most valuable. Such a provision could be coordinated with paragraph (b) on page 32 of the bill. I think it would be complementary to paragraph (b), and it would afford Congress a place where those matters could receive special consideration. I totally agree with what the Senator from Louisiana has said with regard to the need not only of supervision as to the rules and regulations which are to be promulgated, but as to what will happen under the operation of the entire project.

Mr. ELLENDER. Mr. President, I thank the Senator. I presume the resolution which I have just submitted will be referred to the Military Affairs Committee.

The PRESIDING OFFICER. It will be so referred.

Mr. ELLENDER. I hope the committee will look into the matter as soon as possible.

Mr. JOHNSON of Colorado. The committee will certainly do so.

Mr. VANDENBERG. Mr. President, I wish to ask the Senator one or two questions. I regret that I was not present when he made his original presentation. I was detained on other official business.

I wish first to ask the Senator whether or not there is any definition in the bill for the term "small business." The bill repeatedly indicates that certain powers will be granted in behalf of small business. Within the jurisdiction of the proposed legislation, what is "small business"?

Mr. JOHNSON of Colorado. We have not provided any definition for the term "small business." As the Senator well knows, whenever Congress has fixed a definition in the law it has been a limiting definition; that is, we do not accept the term as Webster defines it, but we place limitations upon it. The term "small business" is pretty well understood. It is being used constantly by members of the press and by others. I suppose that it refers to what is usually understood as small business. However, on page 49 of the bill the term "small business" is merely a title. Under that title the bill prescribes the activities of the Board in cooperation with the Smaller War Plants Corporation.

Mr. VANDENBERG. I understand that; but on page 51 of the bill, in paragraph (f), the Smaller War Plants Corporation is authorized "to make or guarantee loans to small business enter-

prises," and so forth. That is a pretty important prerogative. It might easily involve the handling of tremendous sums of money, and might also easily involve a very vital factor in business enterprise. I do not see how the administrator of the proposed law will know how to draw the line under this provision when business asks for loans.

Mr. JOHNSON of Colorado. The Smaller War Plants Corporation will be limited, of course, in the amount of funds which it will have available. That is one limitation which will be established. In drafting the language the belief was that big business could very easily take care of itself.

Mr. VANDENBERG. What is big business?

Mr. JOHNSON of Colorado. I should say that the United States Steel Corporation, for example, is big business.

Mr. VANDENBERG. I believe we can agree on that.

Mr. JOHNSON of Colorado. I have no definition in mind for the term "small business." I know it is a very nebulous thing. If the Senator has a definition in mind, and thinks it would make the bill more explicit, I am sure the Senate will be glad to consider it.

Mr. VANDENBERG. The Senator will understand that I do not mean to be captious about the matter.

Mr. JOHNSON of Colorado. No; I understand that.

Mr. VANDENBERG. I share the desire of all other Senators that this program shall assist what we generally understand to be small business, because what we generally understand to be small business is the backbone of the American free-enterprise system.

Mr. JOHNSON of Colorado. The Senator has well stated his point.

Mr. VANDENBERG. But when we attempt by legislation to create important rights, and it is intended that loans shall be limited to small business, it seems to me that something should be said as to what is meant by the use of the term "small business."

Mr. JOHNSON of Colorado. Of course, the original act creating the Smaller War Plants Corporation gave to it certain authority. I do not have the act before me, but I believe the terms "small business" and "small business enterprise" are used repeatedly in the act. They are meant to cover similar things in the pending bill.

Mr. VANDENBERG. Does the distinguished Senator know whether there is a definition in the pending bill of "small business"?

Mr. JOHNSON of Colorado. I know there is none.

Mr. VANDENBERG. Does the Senator know whether there is such a definition in the Smaller War Plants Corporation Act?

Mr. JOHNSON of Colorado. My guess is that there is none, but the term is used repeatedly.

Mr. VANDENBERG. I can only repeat that it seems to me there is too much elasticity in the term "small business." I am not at the moment prepared legislatively to define the words, but when it is proposed that the board shall have

such wide latitude in making and guaranteeing loans to business, it is possible that it should have a more definite directive with respect to the limitations within which it must live.

Mr. JOHNSON of Colorado. As I have already said, the latitude will be circumscribed by the amount of money the Smaller War Plants Corporation has available.

Mr. VANDENBERG. I ask the Senator to turn to page 53—

Mr. WHITE. Mr. President, will the Senator from Michigan yield to me before he goes to another subject matter?

Mr. VANDENBERG. I am glad to yield if I have the floor.

Mr. WHITE. I notice on page 53 of the bill a provision with respect to the procedure to be followed in case the original cost to the Government was \$1,000,000 or more. I take it that definite machinery and procedure has been provided in cases where the cost to the Government has been less. I wonder if the million-dollar figure was intended to distinguish between a small business plant and one much larger?

Mr. JOHNSON of Colorado. No; that distinction was not intended to be made. The section to which the Senator from Maine has referred deals with the anti-trust laws and is not meant to establish a difference between small business and large business.

Mr. VANDENBERG. I now ask the Senator from Colorado to turn to page 53 of the bill, line 13, and note the language which authorizes the board to prevent "undue concentration of industry or commerce." Does that mean geographical concentration, among other concentrations?

Mr. JOHNSON of Colorado. The entire sentence reads as follows:

Within a reasonable time after receiving such notification the Attorney General shall advise the Board or disposal agency whether the proposed disposition will either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or restrain competition substantially.

The entire section deals with the anti-trust laws. It was prepared by attorneys after long consultation with the Department of Justice, and with others, and it is the language which was agreed upon between them. As to its practical effect—

Mr. VANDENBERG. I am sorry, but the credentials of the Department of Justice are not particularly impressive to me at the moment.

Mr. JOHNSON of Colorado. Reference is made to the Department of Justice in this section, and the Department of Justice may be called upon by the board to determine whether the anti-trust laws have been violated. The Senator from Michigan I know is familiar with the fact that there is an Antitrust Division in the Department of Justice.

Mr. VANDENBERG. What the Senator is saying, then, is that the phrase "undue concentration," on page 53, relates to the trust or monopoly factor but not to the geographical factor.

Mr. JOHNSON of Colorado. That is correct.



Mr. VANDENBERG. Then, I ask the Senator to turn to page 31 where the same general subject matter might arise again. At page 31, lines 14 and 15, where reference is made to the "disposition of plant equipment," and so forth, the board is required to give "due regard to the needs of industrially underdeveloped areas." Does that mean that the board is to undertake directly or indirectly a distribution of industry across the country?

Mr. JOHNSON of Colorado. No; not that, not a redistribution. The whole paragraph reads:

(1) To promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country with due regard to the needs of industrially underdeveloped areas.

With due regard to their needs.

Mr. CHANDLER. That has to do with the disposition of plants, equipment, and materials for use in further production, and if there is a surplus which might be used in an area which was underdeveloped, the board might consider the question of permitting it to be obtained. Is there any objection to that?

Mr. JOHNSON of Colorado. Furthermore, the Government has built hundreds, even thousands—I do not know what the total number is—of industrial plants all over the country. If these plants are to be operated, they will certainly cause a dislocation of industry as it was known in the pre-war period. If these plants are going to be sold or disposed of, that idea should be kept in mind because there would be a tremendous effect upon the industrial conditions in the Nation.

Mr. VANDENBERG. That is true and that is what I am trying to get at. Let me submit an example to the Senator, and perhaps he will better understand my question. Suppose there was a pre-war concentration of a given industry in an old, established industrial center of the country; along comes the war, and there has to be a sudden emergency expansion, and the supplementary emergency expansion plants are located a thousand miles away in some other area which is not an industrial area per se and which had no previous relationship to the particular industry—

Mr. JOHNSON of Colorado. Let me say—

Mr. VANDENBERG. If the Senator will permit me, I should like to proceed a moment further. Now we come to the question of cut-backs and the disposal of surplus property. Would this language mean, directly or indirectly, that the board should consider that the underdeveloped industrial area where the temporary plant is located is entitled to the maintenance of that plant ahead of the maintenance of the industry in its pre-war established status?

Mr. JOHNSON of Colorado. No; this bill does not deal with maintenance; it deals with disposition, but the problem which the Senator has mentioned would properly be one that would come before the board. While this section does not say so, it must by its very nature refer to industrial plants more than to anything else. There is the pre-war con-

centration the Senator has mentioned, and the Government has gone out and built plants elsewhere. The question is going to come up to the board in the disposition of those plants, in connection with their sale, whether they should be sold so as to decentralize or whether they should not be sold so as to decentralize.

Mr. VANDENBERG. Exactly.

Mr. JOHNSON of Colorado. That is the very question that will be before the board.

Mr. VANDENBERG. Very well, and that is a decision which vitally affects the economic life of the Nation.

Mr. JOHNSON of Colorado. That is very true.

Mr. VANDENBERG. I want to know whether we are leaving the board to its own discretion or whether by our votes we are now directing the board to favor the nonindustrial area in which an emergency plant has been built as against the pre-war area where the industry may have been developed.

Mr. JOHNSON of Colorado. The language of the first line I think answers the question. It reads:

(1) To promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country—

Mr. VANDENBERG. "With due regard to the needs of industrially underdeveloped areas." What does that language mean?

Mr. JOHNSON of Colorado. I cannot place any other meaning on it than what is written into the section. We are not directing the board to open up industrially underdeveloped areas. The language is not necessarily a directive. I call the Senator's attention to the so-called basket provision of section 7 where restrictions are placed on the board with respect to the disposition of certain types of plants. It begins at the bottom of page 39:

(1) Aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed—

The next group—9, 10, 11, and 12—are by another section of the bill placed in a different category. I want to call the separation of the two lists to the attention of the Senator—

(9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; and (12) radio and electrical equipment.

If the Senator will turn to page 41, he will find there paragraph (c), which reads as follows:

(c) Whenever the Board may deem it to be in the interest of the objectives of this act it may authorize the disposition of any property listed in classes 9 to 12, inclusive, of subsection (b) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until 30 days after such report (or additional report) has been made while Congress is in session.

In other words, the classes of plants from 1 to 8 must be reported to Congress while Congress is in session; 30 days before disposition is made the board must bring such plants to the attention of Congress and give us a look-see.

With reference to items 9, 10, 11, and 12, the board must report, but the bill is not so restrictive on their action.

Mr. VANDENBERG. Let me say to the Senator that I heard repeatedly expounded before the Special Senate Committee on Post-war Economic Policy and Planning the theory that in the disposition of surplus war property effort should be made to redistribute industry in this country so as to decentralize the points at which industry habitually has lived and to translate it to other areas which have not been industrial in pre-war days. That is a fine ideal, a fine scheme, if one likes that sort of Government control over the economic destiny of the Nation, but I do not like it, and I want to know whether the language "due regard to the needs of industrially underdeveloped areas" is intended to be the first step in the direction of a national plan for decentralizing industry at the expense of those industrial areas of the country where heretofore has been concentrated and for the benefit of areas which have not been on an industrial pre-war basis.

Mr. JOHNSON of Colorado. That is not my interpretation, I may say to the Senator. Neither do I like to see the Government perform any such function as that. But here we are faced with a situation. Industrial plants have been built. We must dispose of them in some way. We must do something with them. We must either padlock them, burn them down, destroy them, or sell them. That is how the Government is brought into the picture. I have no such plan in the back of my head as the Senator from Michigan referred to, of decentralizing pre-war industries. In fact I am very much opposed to such a thing. I do not read any such design into the bill. We have a practical problem to meet. We have these plants to dispose of. It seems to me that Congress must call the board's attention to the economic importance of disposing of these plants, and that when it does dispose of them it must take into consideration the very point which the Senator from Michigan has raised with respect to their future operations.

Mr. VANDENBERG. I do not charge any sinister purpose to this language, but I want to know whether there is any sinister purpose.

Mr. JOHNSON of Colorado. There is none in the back of my head.

Mr. CHANDLER. Mr. President—  
The PRESIDING OFFICER (Mr. McFarland in the chair). Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I realize what the fears are that the Senator from Michigan expresses. The Senator will remember, however, that before any plants, equipment, or materials can be used they must be declared surplus. If they can be used efficiently to promote production, or



more efficiently to promote production at the place where they are located the presumption is that they would not be moved, but if they are declared surplus in the locality where located, and cannot be used effectively for employment or for production then it is my view that the board should take the surplus plants and materials and equipment and undertake to find some underdeveloped area in the country whose people are asking for them, where their use will perform the greatest service for all the people of the country. If concentration of industry at a given place is broken up it will be because of the economic condition of the country, and not by reason of the passage of some law to break it up. There is no intention on the part of any member of the committee to try to pass a measure to break up industry where it is concentrated in the hands of private enterprise and where its owners want it to operate, and where they prefer to operate it. There has been no move on the part of any member of the committee to contribute to such a thing as that.

Mr. VANDENBERG. The answers of the Senator from Kentucky and of the Senator from Colorado are perfectly satisfactory to me so long as that is the purpose of this language. I simply want to be sure that we are not in the guise of meeting the reemployment problem and in the face of the necessity to dispose of surplus plants, committing ourselves to a new economic pattern for the United States by fiat of the Government of the United States.

Mr. CHANDLER. I would not approve of that. I would oppose it. All we say is that we want to promote maximum production and employment of the manpower, and that is the manpower of the country, and the Senator from Michigan is just as anxious as we are about that.

Mr. VANDENBERG. But the Senator should not fail to recognize that there are many individuals around town who would like to do exactly what I am talking about.

Mr. CHANDLER. Yes.

Mr. JOHNSON of Colorado. I should like to call attention to section 19 beginning at the bottom of page 54, where it is specifically stated that the Government is not to be in the business of operating these plants. The plants which are to be sold are to be sold to private enterprise. The Senator from Michigan must bear that in mind. Any decentralization that may come from the operation of this bill will be a decentralization by private enterprise itself in acquiring the plants. The language I wish to call attention to is as follows:

SEC. 19. Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

And then the proviso to cover such production as we are already engaged in. That section was placed in the bill to make it clear that the surplus plants are not to be taken over by the Government to engage in any socialistic enterprise of production. The whole scheme and the

whole plan of the bill is to dispose of property to individuals for the operation of the free enterprise system.

Mr. VANDENBERG. I thank the Senator for his explanation, and I thank the Senator from Kentucky for underwriting the guaranty that this bill is free from some of the prevailing nonsense in Washington.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. I notice that on pages 39 and 40 are set forth the properties with respect to which the board will have to submit a report to Congress.

Mr. JOHNSON of Colorado. Yes.

Mr. McKELLAR. And about which the board supposedly is to obtain advice from Congress. I am thinking of the road which our Army built in Canada.

Mr. JOHNSON of Colorado. The Alcan Highway.

Mr. McKELLAR. Yes, the Alcan Highway. Is that included?

Mr. JOHNSON of Colorado. That is not included in the bill.

Mr. McKELLAR. Ought it not to be included? Ought we not to know something about it? The Government has spent a large amount of money in the construction of that highway.

Mr. JOHNSON of Colorado. In the first place, I do not know that it is surplus property.

Mr. McKELLAR. It ought to be surplus after the war. I do not suppose Canada would allow us to have a private road through her country. I imagine it ought to be sold, and if so, is the Senator willing to accept an amendment in line 8 on page 40, to insert the words "roads and highways and"?

Mr. JOHNSON of Colorado. If the Senator will let me call his attention to category (11) on page 40—

Mr. McKELLAR. That is what I am speaking of.

Mr. JOHNSON of Colorado. "Transportation facilities" probably includes that highway.

Mr. McKELLAR. I do not believe it would include it.

Mr. JOHNSON of Colorado. It would include it if it were surplus.

Mr. McKELLAR. I think the words "highways and roads and transportation facilities" would be better. I should like to add the words "highways and roads and".

Mr. JOHNSON of Colorado. I am sure there would be no objection on the part of the committee.

Mr. McKELLAR. I shall offer such an amendment.

Mr. HILL. Madam President—

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Colorado yield to the Senator from Alabama?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. I am in accord with the distinguished Senator from Tennessee respecting the Alcan Highway. But of course when we go into the question of highways and roads we must remember that on some plots where plants are built, perhaps some places used by our military, which will be declared surplus, we have built roads and highways, and it may be

necessary in disposing of the property to dispose of the property as a whole, which would mean perhaps, that a road would go along with the plant. I know that when we get a little further along the Senator from Tennessee will offer an amendment to include the Alcan highway and perhaps some other highways, but we have to be a little careful, for a very short road which really should be considered to be a part of the plant might come under the language of such an amendment.

Mr. McKELLAR. We can easily eliminate the danger of that by the use of the words "highways and roads built in foreign countries." That would cure such a defect.

Mr. JOHNSON of Colorado. We have built thousands of miles of railroad lines and thousands of miles of so-called access highways to plants.

Mr. McKELLAR. Yes.

Mr. JOHNSON of Colorado. And they are for all practical purposes a part of the plant.

Mr. McKELLAR. They would naturally go with the plant, I take it, under another provision of the bill. It simply struck me that some reference should be made to roads on which the Government has spent as much money as it has on the Alcan Highway.

Mr. JOHNSON of Colorado. I do not know what contracts were entered into between our Government and Canada with respect to the Alcan Highway or between our Government and other countries wherein we have built highways and railroad lines. Those contracts probably would have to be very religiously observed. If we made a mistake we simply made a mistake, and that is all there is to it. This kind of a bill could not very well deal with that subject.

Mr. CHANDLER. Madam President, I have no objection to the addition of the words "roads and highways and", but I do not think the addition of those words will be in anywise efficacious with respect to the Alcan Highway, because that highway is built on the land of the people of Canada, and goes through the Northwest Territory and on up into Alaska, and joins the Richardson Highway, which is just outside of Fairbanks, Alaska. The members of the Military Affairs Committee have observed the road during its construction, and some of us since its completion. It is a matter of treaty arrangement, I am sure, between the Government of the United States and the Government of Canada. If our rights are not protected, it is a matter for the Foreign Relations Committee, and for those who have charge of making treaties on behalf of the people of the United States. I have no objection to the proposed language. We have built thousands of air bases, of course, all over the world on land belonging to the people of other countries.

Mr. McKELLAR. Are they included in the bill?

Mr. JOHNSON of Colorado. They are if they are surplus property.

Mr. McKELLAR. If they are surplus property they ought to be included.



Mr. CHANDLER. I cannot conceive of the Alcan Highway ever being declared surplus property. It may be, but I do not think so.

Mr. McKELLAR. It may be under the very contract the Senator talks about. I hope the Senator will look into it anyway.

Mr. JOHNSON of Colorado. We will examine the matter further.

Mr. VANDENBERG. I should like to ask a further question. I refer the Senator to page 51, line 15. The language is:

The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale or other disposition to small business \* \* \* when in its judgment, such disposition is required—

And so forth. I should like to know whether that is a complete, plenary right in the Smaller War Plants Corporation, regardless of what the Surplus Property Board or the Office of War Mobilization may think about it.

Mr. JOHNSON of Colorado. No. That provision would give the Smaller War Plants Corporation a preferred right over other buyers, I presume. It is meant to give them such a right. However, it would not compel the board to sell at a certain price. It would not compel the board to establish conditions for a specific sale. It would merely give the Smaller War Plants Corporation the right to buy. That provision was inserted so as to give the small industries throughout the country, which have been working in this war effort and have completely worn out their machinery, the opportunity to replenish their machinery. Unless there were some provision of that kind it would be very doubtful if a small industry—an overextended blacksmith shop, we will say—would have an opportunity to buy a piece of machinery which it needed. Under this provision the Smaller War Plants Corporation would buy machinery of that kind and resell it. It has had similar authority during the present war. Now that the machinery is worn out, we want to give the small plants an opportunity to replenish their worn-out machinery.

Mr. VANDENBERG. I agree completely with the objective and the necessity for such an opportunity, but I am trying to find out whether the Smaller War Plants Corporation, under this authority, could step in and upset what might be a major program or pattern of disposition of certain surplus property which the Office of War Mobilization or the Surplus Property Board might have made.

Mr. JOHNSON of Colorado. The only priority would be with regard to purchase. There would be no special concessions as to price or conditions.

Mr. VANDENBERG. I am not asking about that. What I wish to know is whether that right would be wholly and exclusively a right to be exercised by the Smaller War Plants Corporation, regardless of whether the Surplus Property Board might think that a certain minor transaction might upset a major transaction of major importance in the reemployment pattern.

Mr. JOHNSON of Colorado. I do not so interpret the provision.

Mr. VANDENBERG. It seems to me that that is what it says.

Mr. JOHNSON of Colorado. No; that is not what it says. The Board would have policy-making power, and there would be no limit on the policy-making power in that respect. As I say, the Smaller War Plants Corporation would have priority in the purchase.

Mr. VANDENBERG. I am glad to see it have priority, but I do not think it ought to have the exclusive right to step in and claim property.

Mr. CHANDLER. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. CHANDLER. I tried to have adopted a more stringent provision than the one in the bill, but was unsuccessful. I would go so far as to interfere with a major transaction and give the Smaller War Plants Corporation absolute authority to acquire surplus property, so that I could be fairly certain that it would be distributed among the smaller business of the country. This provision would not give the Corporation anything except the corporate right to acquire property. As I recall, the section was written by the able Senator from Ohio [Mr. TAFT]. It is just the way he wanted it, and not the way I wanted it. I agreed not to fuss about it, but the question has been raised, and now I regret that I was unable to have the provision written the way I wanted it originally.

The Smaller War Plants Corporation is not even preferred. It is merely given the corporate right to purchase property, subject to its appropriations. Its appropriations are limited. It cannot buy and distribute any more property than it can buy with the money appropriated for it.

Mr. VANDENBERG. The Senator from Kentucky says that this language does not create a priority.

Mr. CHANDLER. It does not.

Mr. VANDENBERG. The Senator from Colorado says that it does. Who is correct?

Mr. JOHNSON of Colorado. Whenever there is a dispute between the Senator from Colorado and the Senator from Kentucky, the Senator from Kentucky is always correct.

Mr. VANDENBERG. So there is no priority?

Mr. CHANDLER. I will not agree to the statement of the Senator from Colorado. My friend is too generous with me. If I read this section aright, there is no priority.

Mr. VANDENBERG. Does the Senator from Colorado agree that there is no priority?

Mr. JOHNSON of Colorado. I am advised by the legislative counsel that no priority would be established.

Mr. CHANDLER. As my friend from Colorado will recall, I wanted the priority established, and was overcome by sheer weight of numbers.

Mr. VANDENBERG. At any rate, we are now all agreed as to what the language means.

Mr. McFARLAND and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield, and, if so, to whom?

Mr. JOHNSON of Colorado. I yield first to the Senator from Arizona.

Mr. McFARLAND. I should like to invite the attention of the Senator to page 65, subparagraph (3), beginning near the bottom of that page and continuing on page 66. This provision relates to the sale of lands. The language is as follows:

(3) Before disposing of any other surplus real property, the Secretary of the Interior shall appraise the property and determine its fair market value. The property may then be sold at public sale or by negotiated sale, whichever method is determined by the Secretary to be most in the public interest. If the property is to be sold at public sale, the Secretary shall give public notice thereof at least 90 days prior to the date of sale. He shall sell the property upon such terms as he deems most in the public interest to any person whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act. If the property is to be sold by negotiation, the Secretary shall, upon the conclusion of the negotiations, give public notice for 90 days of the terms of the proposed sale. The notice shall state that during such period, protests against the sale may be made to the Secretary. At the end of the period the Secretary may approve or disapprove of the sale.

Why is no provision made for notice of intention to negotiate a sale? If a sale is negotiated and someone has a contract to a certain property, which may or may not be set aside, other prospective buyers are not inclined to object to the sale. Other prospective buyers would be reluctant to follow such a procedure. Why not give notice of a proposed negotiated sale of the property first, and give other prospective buyers an opportunity to protest if they desire, so as to give full opportunity for everyone to negotiate a sale or make an offer?

Mr. JOHNSON of Colorado. The Senator must read the other sections of the agricultural disposal part of the bill. The bill gives certain priorities in the purchase of lands.

Mr. McFARLAND. I realize that it gives priorities.

Mr. JOHNSON of Colorado. When a buyer is given a priority, the sale must be negotiated. We establish certain priorities. The former owner of the land would have the first right to the land.

Mr. McFARLAND. I realize that; and I am in favor of that principle. I think it is a good one.

Mr. JOHNSON of Colorado. What good would a notice to the general public do if the land were to be sold to the former owner?

Mr. McFARLAND. An exception could be made as to the former owner; but there is no provision to the effect that the priority shall apply only in the case of sales to former owners.

Mr. JOHNSON of Colorado. The bill provides for negotiated sales under certain circumstances. The first person who has the right to exercise a priority is the former owner.



Mr. McFARLAND. That is correct.

Mr. JOHNSON of Colorado. I think it will be agreed—at least it ought to be agreed—that the former owner should have a priority. In many cases the land was taken away from the former owners. It was confiscated by law, condemned, and taken away from them for the use of the Government. Now the Government has no further use for it, and the former owner should have priority in the acquisition of the land.

Mr. McFARLAND. I agree to that.

Mr. JOHNSON of Colorado. The next class is the veterans. Land is sold to veterans under the provisions of the so-called G. I. law.

Mr. McFARLAND. I agree to that.

Mr. JOHNSON of Colorado. Those are negotiated sales.

Mr. McFARLAND. That is fine.

Mr. JOHNSON of Colorado. The general public does not require notice of such a sale.

The next category of sales is under the Bankhead-Jones Farm Tenant Act. Under the provisions of the Bankhead-Jones Act, certain buyers have rights. Such sales are negotiated sales. As to other sales, notice would be given.

Mr. McFARLAND. There is provision for such transactions, but they are not limited to those three classes. Why not give everyone an opportunity to know about negotiated sales? Such sales allow opportunity for someone to slip in and buy land. The provision in the bill would require a person to protest the negotiated sale. If the provision for negotiated sales applies to only three classes, why not set them forth?

Mr. JOHNSON of Colorado. The provision applies only to such land as is sold through negotiation.

Mr. McFARLAND. It would be left entirely to the Secretary of the Interior to determine whether any land—not merely land proposed to be sold to the former owner—should be sold at public sale or by negotiated sale. As I read this provision, he might sell every foot of land by negotiated sale.

Mr. JOHNSON of Colorado. Such negotiated sales as we have provided for are in the public interest, and they ought to be consummated.

Mr. McFARLAND. Does the Senator take the position that this provision is restricted to the three classes which he has just mentioned? The Senator says that the land may be sold by one of two methods. Is it the Senator's contention that the provision for negotiated sales applies only to the three classes which he has mentioned? The language in the bill does not so provide.

Mr. JOHNSON of Colorado. I do not know whether the Senator's objection to that point is well taken or not. It is necessary to read the whole section pertaining to the disposal of agricultural commodities. I will say to the Senator that the Senator from Wyoming [Mr. O'MAHONEY] prepared this part of the bill. He does not happen to be on the floor at the present time. I should like to have the Senator from Arizona refer to this section again, if he will, when the Senator from Wyoming is on the floor,

and obtain his explanation of it. I am inclined to believe that the Senator from Arizona is correct.

Mr. McFARLAND. I thank the Senator from Colorado. I should like to have the Senator from Colorado give further thought to that subject.

Mr. AIKEN. Madam President, will the Senator yield to me for another question?

Mr. JOHNSON of Colorado. I yield.

Mr. AIKEN. The point which arises in my mind now is that I understand that in order to furnish electric power for essential war-material production it has been necessary in some instances for the Federal Government to invest as much as several million dollars in the construction of transmission lines, and also that the Government may have acquired rights-of-way where lines have not yet been built. It occurs to me that if under the bill those lines or those rights-of-way, some of which may be to public power plants, are sold to a private utility, under the laws which prohibit the paralleling of transmission lines the Government or any public power development might find itself in the position of being able to sell to only one customer, that being the private power company which happened to buy the Government line. Is there anything in the bill, so far as the Senator knows, which would safeguard the public interest in a case of that sort and would prevent the sale of a transmission line to a private company which might use it to prevent forever the public from obtaining the full benefit of the development?

Mr. JOHNSON of Colorado. The best safeguard of which I know is the board of eight, representing all the economic viewpoints of the Nation. If the property described by the Senator from Vermont is surplus property, it would be disposed of by the board. The board would have to prescribe rules and regulations. Of course, the provisions of the antitrust laws would have to be observed. I do not know of any specific restraints or limitations which are imposed on the board with respect to the class of property the Senator has mentioned. I do not recall any in the bill.

Mr. AIKEN. I have in mind a project for which I think approximately \$14,000,000 or \$15,000,000 has been appropriated, and part of the money has been spent. I expect to have some details regarding that case by tomorrow. I certainly should like to have cases of that sort covered, so that the public interest will be protected.

Mr. JOHNSON of Colorado. If the Senator will prepare an amendment to cover that particular class of property or an amendment which will protect the public interest in that class of property, I am sure the Senate will look upon it with sympathy and with favor.

Mr. AIKEN. I will look into the matter further. If, following a further examination of the specific instance which has been called to my attention, it appears that an amendment is necessary in order to protect the public, I shall be glad to present it.

Mr. LANGER. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. I am particularly interested in the prevention of dumping of agricultural commodities. I call the Senator's attention to page 10 of the report, from which I read the following:

In studying the situation, your committee has conferred freely with representatives of the principal farm organizations.

I should like to know what were those farm organizations.

Mr. JOHNSON of Colorado. The Farm Bureau; we had many communications from the Farm Bureau.

I recall that we had a witness from the Farmers' Union; he appeared before the committee.

We had a communication from Mr. Holman, of the National Cooperative Milk Producers Federation, and his communication was considered by the committee.

I am informed that the Grange had witnesses at some of the hearings.

Mr. LANGER. There were witnesses who testified representing all those organizations: were there?

Mr. JOHNSON of Colorado. Yes—witnesses representing the organizations I have mentioned. Mr. Holman did not testify. He did not ask to appear before the committee, so far as I know. He did communicate with the Military Affairs Committee, after we began working on the bill, and he made a certain proposal.

Mr. LANGER. Does the Senator remember who appeared for the Farmers' Union?

Mr. JOHNSON of Colorado. Yes; a man by the name of Smith appeared for the Farmers' Union.

Mr. LANGER. Who appeared for the Farm Bureau?

Mr. JOHNSON of Colorado. We had communications from the Farm Bureau. I understand that the Farm Bureau worked with other members of the Senate, and a proposal on which they look with favor was made.

Mr. LANGER. Would it be a fair statement to say that this bill has been approved by the Farm Bureau, the Farmers' Union, and the Grange?

Mr. JOHNSON of Colorado. No. The Farm Bureau, the Grange, and the Farmers' Union as such have never seen this bill. This bill was finally agreed upon in its present form about 3 o'clock yesterday afternoon, and it was printed, and I saw it for the first time in finished form this morning about 11 o'clock. I am sure none of those organizations have seen the bill as it now appears.

Mr. LANGER. But from the testimony they gave and from their communications—

Mr. JOHNSON of Colorado. They testified with respect to the matters with which the bill deals. We have a considerable volume of testimony. They have had a full opportunity to appear.

Mr. LANGER. Would it be a fair statement, then, to say that these organizations look favorably upon the bill because some of the suggestions they made are incorporated in it?



Mr. JOHNSON of Colorado. I think it would be fair to say that all the suggestions made by the Farmers' Union are incorporated in the bill.

Mr. LANGER. Is that also true with respect to the Farm Bureau?

Mr. JOHNSON of Colorado. No; I cannot say that all the recommendations made by the Farm Bureau have been incorporated in the bill. My guess is that the bill will be very satisfactory to the Farm Bureau.

Mr. HILL. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Alabama on that point.

Mr. HILL. Let me call attention to the statement of Mr. Russell Smith, legislative secretary of the National Farmers Union, who appeared and testified before our committee:

Mr. SMITH. The National Farmers Union supports S. 2065, the Stewart-Murray-Taft bill—

That was the bill which the committee used as the basis for the bill now before the Senate—

as reported Monday from the subcommittee chaired by Senator MURRAY. We are glad to be able to compliment the authors of the bill and the members of the subcommittee on the excellent work they have done in seeking to balance the conflicting claims of numerous groups in the consideration of this problem, and to produce from that consideration a measure so eminently in the public interest.

If the Senator will read Mr. Smith's full statement, I think he will find that, although he made certain suggestions, he felt that the bill as reported by the subcommittee headed by the junior Senator from Tennessee [Mr. STEWART], which is the basis of the bill now before the Senate, was an admirable bill.

I wish to say regarding the Farm Bureau that I collaborated with Mr. O'Neal, president of the Farm Bureau, and with my colleague the senior Senator from Alabama [Mr. BANKHEAD]; and in the committee I offered three different amendments suggested by my colleague and by the Farm Bureau, and all three of those amendments were written into the bill.

Mr. LANGER. I am very grateful to the Senator from Alabama for the information he has provided.

Mr. JOHNSON of Colorado. Mr. President, I should like to say to the Senator from North Dakota that, while I cannot say that these farm organizations approve every provision in the bill—they may or may not approve—nevertheless, I am certain that they have offered no objection to any provision which the bill now contains.

At this time I should like to yield to the junior Senator from Tennessee [Mr. STEWART], who, together with the senior Senator from Ohio [Mr. TAFT], had conferences with the Farm Bureau with respect to this legislation.

Mr. STEWART. Madam President, I thank the Senator from Colorado for yielding to me.

I should like to say for the benefit of the Senator from North Dakota, whose interrogation is on the point of the ap-

proval of the bill by the Farm Bureau, particularly, I believe—and as I recall his question was with respect to the bill in its entirety—that I have met on more than one occasion with the representatives of the Farm Bureau, including Mr. O'Neal, its president, at which times we discussed at length the amendment, which appears in the bill, relative to the disposal of agricultural land. At the same time we discussed other phases of the bill.

I think I can say to the Senator from Colorado, in reply to the question of the Senator from North Dakota, that the Farm Bureau is sympathetic toward at least the greater portion of the bill. I do not know of any part to which it is opposed. It raised no question about opposition to any of it with me. My discussion with its representatives was chiefly concerning the so-called agricultural amendment.

I am sure the Senator from Colorado knows of the testimony which was given before the Military Affairs Committee by a representative of the Farm Bureau. I assume that the Senator from Colorado has been informed.

Mr. HATCH. Madam President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. Before the Senator from Colorado yields to the Senator from Mexico I have one further question to propound. My attention has been called by the able Senator from Vermont to the language on page 52 of the bill beginning in line 11, reading as follows:

The War Food Administrator or his successor, subject to the provisions of existing law, shall formulate workable plans for the disposition of surplus agricultural commodities in such a manner as to prevent these excess supplies from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

The language does not include any reference to processed agricultural commodities.

Mr. JOHNSON of Colorado. If the Senator will read paragraph (b) on page 52, he will find something on the subject of processed agricultural commodities.

Mr. LANGER. Paragraph (b) refers only to cotton or woolen goods. As the Senator from Vermont has told me, 5,000,000 cans of canned goods might wreck a market.

Mr. JOHNSON of Colorado. I am sure that commodities of that nature would be interpreted to be agricultural commodities.

Mr. AIKEN. Would they include foods processed from agricultural commodities? I am advised that after World War No. 1 there was such a dumping of agricultural commodities and food products on the agricultural commodities market that it collapsed and required 2 or 3 years to make a recovery. I was wondering if we should not include in the language of the bill the words "or foods processed from agricultural commodities."

Mr. JOHNSON of Colorado. I am sure that such commodities as canned goods would be included in the present language of the bill.

Mr. AIKEN. I know that canned foods are not considered to be processed commodities. At least I have been so advised by some of our Government agencies.

Mr. JOHNSON of Colorado. The Senator must take into consideration agricultural processed products, because they are used in many ways. Chemicals of all kinds, as well as many other substances, are made from agricultural products. The War Food Administrator has control of certain agricultural products, and the provision in the bill to which the Senator has referred was meant to coordinate his power and authority with that of the board.

Mr. AIKEN. Is it intended to prevent the dumping of processed foods on the market in such a way as to cause the collapse of agricultural prices?

Mr. JOHNSON of Colorado. It is meant to deter the dumping of agricultural foods on the market.

Mr. McKELLAR. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McKELLAR. A few moments ago I offered two amendments to the pending bill and asked that both lie on the table. I now send one of the amendments to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 52, after line 25, Mr. McKELLAR, for himself, Mr. EASTLAND, and Mr. McFARLAND, proposes the following amendment:

(c) Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, unless such commodities are being disposed of, pursuant to this act, for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of, for cash for export at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to disposal of commodities imposed upon it by law.

Mr. AIKEN. Madam President, I should like to propound one further question to the Senator from Colorado before he yields the floor.

On page 45 of the bill, under the title "Utilization of Surplus Property by Federal Agencies," there appears a provision for the transfer of surplus property of Federal agencies. I should like to ask the Senator from Colorado if the committee believes that section 11 (a) is sufficiently broad to permit machinery to be transferred to the Department of Agriculture and in turn loaned by it to the soil-conservation districts. I understand that the soil-conservation districts are not, strictly speaking, Government agencies.

Mr. JOHNSON of Colorado. The answer to the question of the Senator from Vermont is "Yes." The work referred to is a part of the functions of the Department of Agriculture and is performed by the soil-conservation districts.

Mr. AIKEN. Is it not considered necessary to specify the soil-conservation districts by name?



Mr. JOHNSON of Colorado. No. We had that point under consideration in the committee and we were advised by our attorneys that it was not necessary to name the soil-conservation districts specifically.

Mr. AIKEN. I merely wish to make the point clear at this time.

Mr. WEEKS. Madam President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WEEKS. I should like to propound a question to the Senator from Colorado. With reference to the term "veteran," on page 77 of the bill the language includes the words "who has been honorably discharged." I understand that there are three types of discharge; namely, honorable discharge, dishonorable discharge, and a so-called blue discharge. Am I correct in my understanding?

Mr. JOHNSON of Colorado. There are three categories and the Senator has named them.

Mr. WEEKS. Could a veteran with a blue discharge—if that is the correct term—qualify under the term "veteran"?

Mr. STEWART. Madam President, if the Senator from Colorado will permit me, I invite attention to the fact that the section to which the Senator from Massachusetts has referred not only includes the words "who has been honorably discharged" but also the words "or otherwise honorably separated from the service."

Mr. WEEKS. I thank the Senator from Tennessee.

Mr. STEWART. Madam President, I wish to pay tribute to the work done by the Military Affairs Committee on Senate bill 2065. Within a very limited time, and with limited opportunity for surveying the problem, they have made a remarkable contribution to the bill. I think that in a number of important respects they have improved the bill which the Senator from Montana [Mr. MURRAY], the Senator from Ohio [Mr. TAFT], and I, comprising the members of the Senate Small Business Subcommittee, introduced in this body on August 10. In general, I am in accord with the changes which they have made.

This bill represents the striving of many minds in a progressive effort to envisage the problem and to formulate an adequate plan to resolve it. Our subcommittee work was rather that of weighing the ideas of others in the light of the national welfare.

I am impressed with the fact that generally the thinking of those who have been specifically concerned with the surplus-property disposal problem has clarified considerably since our subcommittee first undertook its assignment last April. In our preliminary report, which drew upon estimates made by War Production Board experts at about the time we began our study, there was forecast a surplus of war property aggregating \$103,000,000,000. It was an amount to stagger the imagination. Since that time the conclusion of this war appears to be nearer at hand than we then thought, and, consequently, the amount of our surplus accumulation should be much less. It may not be more than

fifty or sixty billion dollars. The Members of the Senate have no doubt seen the prediction carried in the report of the Office of War Information of July 31 that there will be no more than \$15,000,000,000 worth of surplus property of any commercial value for disposal. That seems to me to place an optimistic construction on the prospect, but I hope it is correct. There have been a number of estimates and estimators, and, of course, it is all guessing. There is one point of agreement, however, and that is, we are going to have a disposal job far greater than anything we have ever known, one that will send us on an almost uncharted way, fraught with incalculable difficulties. And any decisions we make here must be in a large degree provisional.

In the early thinking about the prospective problem of surplus-war-property disposal, some leaders, fearing the effect of huge stores of property turned loose on our domestic markets, suggested freezing these stores until after the transition from wartime to peacetime production had been made. This view, however, did not long occupy the minds of those who gave study to the problem, for it was obvious that the threat to the future of such frozen stores would be as disturbing to the business world as uncontrolled dumping of war property when it was declared surplus.

I should like in this connection to call attention to the recent comment of Dr. A. D. H. Kaplan, of the committee for economic development, in his recently published book, *The Liquidation of War Production*. Says this distinguished economist:

The fundamental principle, by which every specific application of surplus disposal policy has to be tested, is that the Government's inventory should be made available for the use of consumers without unnecessary delay.

And again:

An undistributed surplus hanging over the market is a threat to healthy business enterprise. \* \* \* Timing of sales to avoid periods of excess market supply and general business depression is highly desirable.

So the freezing-of-all-surplus-war-property idea definitely belongs to first-scare reactions of the early consideration of the problem.

I should like to say here that the early consideration of the problem brought forth something exceedingly different from first-scare reactions in the Hill-O'Leary bill (H. R. 2795). This piece of legislation, which I believe was the first surplus-property-disposal bill introduced in Congress, provides very sound overall, permanent legislation for property management among the Government agencies. The surplus-war-property section of the bill has now, in the light of developments, become inapplicable, or obsolete, it might be said.

However, section 1 of that bill, which is intended to apply for peacetime after surplus war property is out of the way, is legislation very much needed in our Government. That section evidences careful and comprehensive study of the situation and embodies a soundly organized plan. It has already passed the House and is now on the Senate Calen-

dar. I trust it will be amended to eliminate the surplus-war-property-disposal feature and then be enacted into law at this session. I may add that it is my impression from my conversation with the Senator from Alabama [Mr. HILL], one of the coauthors of this bill, that he has such a plan in mind.

Mr. HILL. Madam President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I wish to say that I share the Senator's expression of hope that as soon as we dispose of the pending surplus war property bill, we may consider and pass the bill to which he has referred, providing for the distribution of surplus property belonging to the Government in normal peacetimes.

Mr. STEWART. I am very glad to hear the Senator say that, for it is a very valuable piece of legislation. I hope that bill will be passed, and I believe it will be, because, while it is separated entirely from the wartime idea of this bill, it is, in my judgment, a necessary peacetime bill.

Senate bill 2065 defines sound and constructive objectives, embodies carefully organized directions, provides for requisite assistance to the disposal authority from other agencies of the Government and from the public, and retains for Congress a responsible advisory role.

I should like to call your attention at the outset to the fact that this bill as amended centralizes authority and responsibility in a Surplus Property Board and no disposal agency may assume any authority, except as the Board may delegate and direct. In this important respect, the bill before the Senate differs from House bill 5125, the Colmer bill, which, I understand, passed the House of Representatives yesterday. That measure would give disposal agencies, which are unknown to Congress, statutory authority to dispose of property, subject only to the general supervision of a Surplus War Property Administrator. Under it, any agency called a disposal agency, including any that might be created by the Administrator, would have the right to give property away, or burn it up, without orders. I am strongly opposed to any such grant of authority. I believe it to be inexpedient and unwise, and in Senate bill 2065 we were careful to make the line of authority and responsibility clear. I should like to add that the Military Affairs Committee has seen fit to keep it so.

I want to make special mention of the fact that Senate bill 2065, through advisory committees for the various disposal agencies, would repose upon industry and trade a share of responsibility in the job to be done. In these committees labor, agriculture, and the consuming public would also have a voice.

It is our belief that these committees can and should play an important role in the direction of surplus property disposal, and such a role is made possible under the terms of the bill.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Sena-



tor from Tennessee yield to his colleague?

Mr. STEWART. I yield to the senior Senator from Tennessee.

Mr. McKELLAR. I wish to ask the Senator how it happens that the bill provides for a board composed of eight members? I meant to ask the Senator in charge of the bill, the Senator from Colorado (Mr. JOHNSON), that question. I see that that difficulty of a board of eight men coming to an agreement is averted by having former Senator Byrnes act as a ninth man on the board in case of a tie. However, it is an unusual provision, and I was wondering how it happened that a board of eight was provided for.

Mr. STEWART. Mr. President, would the Senator from Tennessee prefer the Senator from Colorado to answer the question?

Mr. McKELLAR. Either my colleague from Tennessee or the Senator from Colorado, whoever knows the facts.

Mr. STEWART. The Senator from Colorado is on his feet, and I yield to him for a moment if he desires to answer the question.

Mr. JOHNSON of Colorado. The bill at first provided for a board of eight, two representing agriculture, two labor, two industry, and two the consumers. It was the judgment of the committee that the bill should not specifically provide that there should be two representing agriculture, two labor, two industry, and two the consumers because, in that event, there would be four blocks on the board, and perhaps they could not get anything done; but it would be much better to make the other approach to the matter and have the members of the board represent divergent viewpoints and also not to have them come from one geographical area.

Mr. McKELLAR. The idea was to spread the membership all over the country.

Mr. JOHNSON of Colorado. We started with eight, and we kept eight.

Mr. McKELLAR. As I understand, the War Mobilization Director, former Senator Byrnes, in case of a tie will have a vote.

Mr. JOHNSON of Colorado. He will have the deciding vote. Perhaps the reason we left the number of the board at eight was, in certain circumstances, to give the Director of War Mobilization some voice on the board. We wanted to do more than simply put it under his wing and not give him any authority at all under the provisions of the bill.

Mr. McKELLAR. He is certainly well qualified; I will say that for him. Is the view expressed by the Senator from Colorado that of my colleague from Tennessee?

Mr. STEWART. Yes. I should like to add to what the Senator from Colorado has stated by saying to my colleague, the distinguished senior Senator from Tennessee, that the present bill I am discussing in my prepared remarks, Senate bill 2065, did not originally provide for a board of eight men, as the bill now pending does. The bill was amended so as to provide for such a board by the Military Affairs Committee when the committee reported the bill yesterday. The

idea of a board of eight men, I believe, came from a bill originally introduced by the senior Senator from Colorado (Mr. JOHNSON). The bill which I introduced, S. 2065, provided for only one man as administrator, with certain advisory boards from the different departments, provision as to which is still carried in the bill and an advisory board also to be selected from labor, agriculture, and industry.

Mr. McKELLAR. I hope the Senator agrees to that change, because I think it would be very unwise to submit \$103,000,000,000 worth of surplus property to the control of one man. That is the way it strikes me. I hope the Senator will agree to the amendment which the committee reported.

Mr. STEWART. I will say to my colleague that I am not fully in accord with that amendment. I thought it better to have one administrator. The Small Business Committee staff—and they have been at work on this idea since April of this year, when the Small Business Subcommittee was set up for this purpose—explored the idea quite thoroughly, and became convinced that with certain safeguards a more satisfactory and certainly a more flexible and more easily operated administration could be had through the appointment of one man than a group of men.

I may say further to my colleague from Tennessee that we have not had, until within recent months, a very satisfactory experience in the Smaller War Plants Corporation, by reason of the fact that its board of directors composed of five men have to agree on certain things, and it was my experience over a period of months that they would become deadlocked and unable to proceed, which would completely paralyze matters before the Corporation. There are other incidents to which I might refer, and I may do so later, in order to demonstrate the advantage of having an individual at the head of the organization as against a group, as now provided by the bill.

I will say frankly that I think one of the contributing factors which caused the Committee on Military Affairs to change the provision of Senate bill 2065 and add the section providing for a board of eight members, was the testimony of the present Administrator who appeared before the committee and left a very definite impression that if the authority were given to him he would dump all surplus property upon the market immediately, dispose of it, and forget it. From his remarks I think the committee was justified in taking the view it did. I can say that I would agree with the amendment myself, because it would certainly be a very serious thing to dump surplus goods on the market, without any control, in the manner that the impression was left it would be done. It would have a very serious effect on business and would seriously and very damagingly affect the economic structure of the country.

Mr. WHERRY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. STEWART. I yield.

Mr. WHERRY. I should like to ask the distinguished junior Senator from Tennessee a question. I call his attention to the language of paragraph (a) of section 2, on page 32, in line 18:

The Board shall determine all matters of policy relating to the administration of this act.

I take that to mean that the board of eight shall have full jurisdiction to determine the policy relating to the administration of the act, and that is as far as it goes; that is, that this board of eight is a policy-making board.

Mr. STEWART. That is correct.

Mr. WHERRY. But in paragraph (c) on page 33, commencing with line 6, we find the language:

The Board shall, without regard to the civil-service laws, appoint an Administrative Director, who shall perform such functions as the Board may direct.

I should like to ask if the board goes beyond policy-making functions, and directs the director as to his functions in the carrying out of his duties in the selling of property, and so forth. Is it an overlapping jurisdiction, or does the Board confine itself exclusively to policy-making functions?

Mr. STEWART. My opinion is that it does not so confine itself. I should like to have the Senator from Colorado answer that question, because the language is taken from his draft.

Mr. JOHNSON of Colorado. It is a policy-making board, and it is also an administrative board. It must of necessity be that. The scheme of disposal takes into consideration all Government agencies now in existence. We do not set up a new organization with hundreds of thousands of Government employees. We use the agencies of Government which we now have to act as disposal agencies. But the board must determine and lay down the policies for the guidance of the disposal agencies. When they have questions they must come to the board for decision. Of course of necessity the board must have an administrative officer to carry out its orders. That is why a director is provided.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. Is it not true that the philosophy of the bill is to put the central authority in the hands of the board, and also the central responsibility; so that the authority will be in the board and the responsibility will also be in the board? The Senator will notice on page 33, in lines 6, 7, and 8 the following language:

The Board shall \* \* \* appoint an Administrative Director, who shall perform such functions as the Board may direct.

The board has the authority under the measure and also has the responsibility, although, as the distinguished Senator from Colorado has said, it is the purpose and the intent of the measure that the board shall use existing agencies of Government, and not create a great number of agencies of its own to administer the law.

Mr. WHERRY. I thank the distinguished Senator from Alabama and also



the distinguished senior Senator from Colorado for the explanation given; but I am not as clear as I should like to be with respect to the intent of the provision in paragraph (a) of section 2, in the light of the explanation of the distinguished Senator from Alabama of paragraph (c). What I should like to know is this: The administrative director no doubt would be given the right to dispose of property, to make a sale. That is an administrative act.

Mr. STEWART. He would be given that right by the board.

Mr. WHERRY. That is correct. What I want to know is, Does the policy-making board step over into the administrative function of the administrative director and control the administrative director in any way when he is to make a sale of surplus property?

Mr. JOHNSON of Colorado. The Director is appointed by the board. We do not provide in the bill for an Administrator. The board appoints a director, who carries out its directions, as provided in paragraph (c) on page 33. The administrative director is appointed by the board, and he carries out the will of the board. The Senator will find references to the board all through the bill. The bill provides that Congress shall give the board instructions, and all through the bill restraints and limitations are placed upon the board. The board itself is the head of this division.

Mr. STEWART. The board is absolutely supreme in matters of policy and matters of administration.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I call the attention of the Senator from Nebraska to the language on page 44, line 5, of paragraph (c) of section 9, as follows:

(c) When any surplus property is reported to any disposal agency under subsection (a) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with the policies, standards, methods, and procedures prescribed by the board.

Mr. WHERRY. Then the policy-making power and the administrative power are centered in the hands of the board, and the administrative director is simply appointed to carry out the policy and the administrative plan which the board sets up?

Mr. HILL. I would say that in substance that statement is correct; that the Board is the supreme authority.

Mr. STEWART. The board, as I understand, is supreme in all matters of policy and administration.

Mr. WHERRY. I thank the Senator from Tennessee.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. OVERTON. In connection with the matter under discussion, I should like to invite the attention of the Senator from Nebraska to the last line on page 34 and to the pages immediately following:

It shall be the function and duty of the board—

And then in paragraphs (a), (b), (c), (d), and so forth, are set forth duties and functions. These provisions clothe the board with administrative authority.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. So the administrative director carries out all matters of sale and disposal according to the policies of the board. He acts only under the direction of the board. Any sale that is made is in reality made by the board. Is that correct?

Mr. OVERTON. That is correct. The Director simply acts as an agent of the Board, as I understand.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. AIKEN. Mr. President, I offer an amendment to the pending bill, which I ask to have printed, and read at the desk at this time.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table, and will be stated.

The LEGISLATIVE CLERK. On page 52, line 14, after the word "commodities", it is proposed to insert "or food processed from agricultural commodities."

Mr. STEWART. Mr. President, the members of our Small Business Subcommittee have been deeply impressed by the overshadowing need for truly cooperative effort between Government and the commercial, industrial, and agricultural communities of this country, if any reconversion plan is to succeed. In the concluding section of his book, Dr. Kaplan comments:

The need of unity in the war effort has been fully publicized and fully recognized. Whole industries as well as individual firms have dedicated their resources without stint to the common effort, knowing that if as a people we fail of victory, we lose the very advantages that as individuals we went most to retain. It will be much more difficult to keep our thoughts and actions dedicated to the common cause when the war is over. And yet the sacrifices of the war will be futile if having won the victory in global warfare, we engage in an all-out struggle of economic interests on the home front as we go through the transition period.

It is with this possibility in mind that the subcommittee set up the statutory framework for practical cooperative action to insure against such a catastrophe.

Along with the immediate aims of protecting and aiding production and employment and of getting fair treatment for the consumer and the taxpayer, we have given comprehensive consideration to securing the national economy against monopolistic aggrandizement. I wish to point out various aspects of that problem with which we have dealt specifically in the bill. I will name the provisions and tell what they are aimed at without detailing them here.

First, we insure against the disposal of any plant or equipment costing \$1,000,000 or more in violation of the antitrust laws, or in a way to result in undue concentration of industry, or substantial restraint of competition.

Next, we require special planning for the disposal of 12 categories of property as to which the Government's holdings are especially important. The plans

would be set forth in reports to Congress, containing the full facts. Thus Congress would have an opportunity to determine the policy involved.

Pending the enactment of a congressional policy, there should, of course, be no hiatus in the operation of the plants. The Administrator should be permitted to negotiate leases for a reasonable period.

Virtually all of the Government-owned plants carry an outstanding option to purchase in favor of the contractor who operates the plant. No standard option has been prescribed, with the result that literally hundreds of variations obtain. The Attorney General has testified that some of these options may be void as against public policy, citing illustratively a clause prohibiting the use of a plant for any commercial purpose for a period of 20 years. Many of the options now outstanding are held by corporations which dominate their industries by virtue of their vast holdings.

We have considered the option as a possible instrument of monopoly. To the extent such options are against public policy they should be invalidated. So section 18 of the bill provides that every existing option shall, before it is consummated, be submitted to the Attorney General for his opinion as to its validity.

The bill would further the fight against monopoly by giving positive assistance to small business. In addition to requiring wide publicity and small-lot offerings on property sold, it would specifically commission the Smaller War Plants Corporation to develop small business markets—find buyers, make known to them the goods available, get purchaser and property together by communication and information, by financial aid, and even by acquiring surplus goods for resale to the little man.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. VANDENBERG. In the Senator's absence earlier in the afternoon I raised the point that there is no definition of "small business" in the bill. It seems to me that it is very necessary to have such a definition in the bill, in view of the fact that the board is authorized to make loans to small business. It would have to know where its authority started and ended. We find it difficult to define "small business" textually. I wonder if the Senator from Tennessee, who has given great thought to that subject, could throw any light on the question, or make a suggestion.

Mr. STEWART. I was in the Chamber when the Senator raised the question. I heard the colloquy, but I did not enter into it because I did not think I could contribute a great deal to it. I have been a member of the Small Business Committee since it was established. One of the problems with which we have struggled has been the question of definition. I believe that at one time the Army, for the purpose of awarding contracts, defined small business as all concerns employing less than 500 workers. That definition worked satisfactorily in certain instances; but, as the Senator knows, in other instances it would not



work. What might be a big business concern in my section of the country would perhaps be a small one in the great State of Michigan, from which the Senator comes.

As the Senator knows, in our discussions we gave consideration to the question of reaching a definition of a small business concern which we could stand by all the time. It is impossible actually to define "small business." That is, it is impossible to state a rigid definition which is not flexible. We have got along by placing a small concern which might apply to us in the category of small business if we thought it belonged there, considering its comparative size in its particular field of operations. What might be a big business concern in one field of operations would be small in another. I do not know of anything I could say which would contribute to a definition which might be written into law.

Mr. VANDENBERG. It seems to me that there must be some legal criterion, in view of the fact that we are creating a loan privilege which may become very important.

Mr. STEWART. I appreciate that. That question was discussed. I had in mind the thought that perhaps the Smaller War Plants Corporation might itself give a definition, it being the agency representing small business and the agency which would negotiate the loans in the instances to which the Senator has referred.

Mr. VANDENBERG. I should like to see a request made of the Smaller War Plants Corporation, if not for a definition, at least for a criterion which could be written textually into the law. It seems to me that it is necessary in simple prudence.

Mr. STEWART. I can see the importance of the point which the Senator from Michigan makes, and I should like to ask him this question: Without actually undertaking to state a definition of "small business," would it be practicable, feasible, or proper to provide in the act, if the Senator thinks it is necessary, the right to the Smaller War Plants Corporation to select the concerns, and let it decide whether a particular business is a small business concern such as would be entitled to the privileges and benefits of the act? It seems to me that, so long as we are unable rigidly to define it, a certain amount of discretion must be given to some agency or person.

Mr. VANDENBERG. That may be a partial answer. It is only a partial answer. I hope we can work out something with Mr. Maverick and the Smaller War Plants Corporation, because, as the text stands, it seems to me that it is wide open.

Mr. STEWART. Of course, if the decision were left entirely to the discretion of some individual, such discretion might very easily be abused. We have got along without an actual definition of "small business." We have operated thus far without any rigid legal definition. Of course, we have been operating in the period when we were awarding contracts. Now the reverse is true. Small businessmen will be purchasing from the Government articles which will

be declared surplus, instead of executing contracts for manufacturing.

Mr. VANDENBERG. I was thinking particularly of the section which authorizes the making of loans to small businesses.

Mr. STEWART. The Smaller War Plants Corporation is now making such loans, and has been doing so; and yet there is no rigid definition. We have found it practically impossible to agree upon one. The Senator has raised an interesting question, which could become serious.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WEEKS. In connection with the discussion about what is a small business, let me point out that the Senator from Tennessee has said we have gotten along so far. It appears to me that when the Smaller War Plants Corporation was set up during the war period, it was established to help small business, because in the radical change-over from peacetime to wartime production it was natural in the course of events for small business—really small business—to find itself up against a variety of difficulties. Small business cannot turn around as quickly as big business can. It does not have the technical advice and equipment which large business has. Small business was in a spot, and needed help, because it was put out of production of its regular lines, and had to turn around and get into war production. It needed some help. So the Smaller War Plants Corporation was established, and small business was given a helping hand.

However, now we are talking about reconversion from war to peace, and we come to a proposal to make the distinction between small business and large business more or less a permanent one, and to write the definitions into the law, so to speak.

Mr. STEWART. Conditions are exactly the reverse of what they were 2 years ago.

Mr. WEEKS. Mr. President, I do not see how it is possible for the pending bill, when enacted into law, to function, or for any board established under the law to function, unless the definition of small business is spelled out in the bill itself. Therefore, I heartily subscribe to the suggestion made by the distinguished senior Senator from Michigan [Mr. VANDENBERG] that we must determine the difference between small business and large business, so far as this particular bill is concerned.

Mr. STEWART. In referring to that suggestion, and in demonstrating to the Senator the real difficulty—although probably I need not do so, because the Senator knows of the difficulty—let me point out, for instance, that in the Senator's own State of Massachusetts, as I believe, and certainly in the State of Connecticut, there are large watch factories. They may employ not more than 50 or 100 persons; but, nevertheless, in their field they are big business, and they could be classified as big business. Therefore, they could not come under the definition which the War Department arbitrarily laid down. As has been sug-

gested by the Senator from Michigan, the War Department had to lay down some definition when it began to let war contracts. As I said a moment ago, the definition was that any independent manufacturing concern not affiliated with a larger company, and employing less than 500 persons, would be considered a small business. In other words, the concern would have to employ less than 500 persons in order to constitute a small business concern. However, it is conceivable that in certain lines of business endeavor a firm employing 50 or 100 persons might be a big business concern.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me inquire whether it has been considered that a small business might be one which does less than a certain percentage of the entire business in which it is engaged.

Mr. STEWART. Yes; let me say to the Senator that we have discussed that matter. It has been one of the things which has never been defined, but it has been repeatedly discussed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. I desire to substantiate what the distinguished junior Senator from Tennessee has said regarding the difficulty we have had in defining "small business" in this country. I also wish to say to the Senator that I think there is an absolute need for such a definition.

It was my privilege to be with the distinguished junior Senator from Montana [Mr. MURRAY] in conducting a series of field hearings. We returned to the Senate a week ago last Tuesday to consider unemployment insurance, which was a phase of the Reconversion Act. From the evidence adduced, we found the very difficulty to which reference has been made.

For example, small business needs 3 or 4 things. We found that the thing it needs most of all is less Government regulation. Such businesses cannot fill out all the questionnaires and handle all the red tape required by Government, and some of them have closed their doors because they have been afraid that if they did not properly fill out the questionnaires and forms, they might be penalized by the Government.

The second thing we found small business needs is adequate capitalization. Such businesses cannot obtain sufficient funds, because the scale of taxation established by the Congress does not allow sufficient leeway to enable such businesses to function.

The third matter of importance we discovered was that relative to the allocation of materials. That matter is most important, and should be taken care of in connection with the disposal of surplus property. The small businesses do not have the facilities or the representatives in Washington or the legal talent, which today are needed, to go to the agencies of Government and to make sure that they receive their share of the materials they need in order to conduct their businesses. It is very important



that provision relative to such materials be made in this bill.

The fourth point pertains to financing by means of Government loans. In that connection it is most important that there be a definition of small business in order to know who will be entitled to such loans. Various businesses will come before the Smaller War Plants Corporation and will want money. The question will be who will be entitled to the benefits provided by the act?

I think it is most important to define a small business. However, I say to the distinguished junior Senator from Tennessee that, to my mind, there is no way to establish a legal definition. It was suggested that we might define it as a business which is owned by one, two, three, or four persons. Then we realized that Henry Ford's family own the Ford plants, and they certainly are a big business.

Mr. STEWART. We used the word "independent."

Mr. WHERRY. Yes.

Another need of small businesses is to obtain an adequate supply of labor. The War Manpower Commission considers a small business to be one which employs 50 persons or less.

There has been a continuous definition by various governmental agencies. None of the definitions agree.

If the pending bill, when enacted into law, is to be successful in its operation I believe it essential that the board shall know when and where it can make a loan and how it can distribute surplus material, so that small businesses will receive their just proportion of the property and materials on hand, and so that they will receive the benefit of the processes and patents which have been developed during the war. In other words, I believe we should have some sort of standard—or, as the able senior Senator from Michigan [Mr. VANDENBERG] has said, some criterion or something of the sort—so that the board will be able to know when to extend these benefits to small business.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. CHANDLER. This discussion reminds me of all the talk about the weather: We do much talking about it, but do nothing about it.

I am prepared to vote for any amendment or to support any suggestion any Senator may make relative to a fair definition of small business. No one in the committee was able to provide one. I understand that the Small Business Committee has not been able to suggest one. It seems to me that the only thing we can do is to adopt the Small Business section of the bill, and then let the Board, under the Small Business section provided in the bill, make the loans and say, according to its discretion, what are small businesses. Little business is one thing, and is smaller than big business. But it is necessary that there be some discretion and latitude in connection with the determination of what is a small business.

I assume that after some debate there would probably be general agreement

by the members of the Smaller War Plants Corporation as to what concerns should properly be regarded as small businesses, and thus entitled to receive aid under the act, including surplus property and loans. The matter could be controlled by Congress in connection with its power to appropriate money. They certainly will not buy more goods than they can buy with the money they have to spend, and certainly they will not do more business than the Congress, in connection with its appropriation of money, permits them to do.

If any Senator can suggest a definition which can be incorporated into law, I am prepared to vote for it; but, so far, the members of the committee have not been able to find a definition which will meet with the approval of all the parties concerned or will be legally sound.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. WHERRY. I heartily concur in what has been said by the junior Senator from Kentucky [Mr. CHANDLER]. The Smaller War Plants Corporation and the Small Business Committee have really classified small business according to their own expedients. Anyone who came to the Small Business Committee and requested help received it, and anyone who applied to the Smaller War Plants Corporation for aid received it. So, thus far there has been no definition.

I do not know whether the Senator or his committee was informed of the definition used by the War Department. The War Department has determined that a small business is one which employs less than 500 persons. As a rule of thumb, we have been guided by that definition in our work in the Small Business Committee.

But if we adopt some of the provisions which would permit the Smaller War Plants Corporation to make its own definition of a small business, it might happen that it would classify as a small business one having less than 500 employees. That could easily be done.

I am not a member of the Military Affairs Committee, and was not a member of the subcommittee of that committee. I shall be glad to offer an amendment if the Senator from Kentucky wishes me to do so. But I may say that the only suggestion of which I have any knowledge, which has been made during the past year and a half, and which has been workable, was to define a small business as one employing less than 500 employees.

Mr. STEWART. Ever since the committee was organized the junior Senator from Nebraska and I have served on one or two subcommittees of the Senate Small Business Committee. We have discussed this matter on more than one occasion. We discussed it at least in the early days of the committee. It seemed to be impossible for the Senate Small Business Committee and the Smaller War Plants Corporation to function without some workable definition. I refer the Senator from Michigan [Mr. VANDENBERG] to a copy of Public Law 603, which is the law creating the Smaller

War Plants Corporation. As the Senator from Nebraska has stated, no definition of small business is contained in Public Law 603. However, in section 3 on page 2 of the copy of Public Law 603, which I have before me, there is to be found the following language:

SEC. 3. In any case in which a small business concern or group of such concerns has been certified by or under the authority of the Chairman of the War Production Board to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, and all other officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirements with respect to capacity and credit.

The agencies referred to are directed to accept certification from the War Production Board that such and such a concern is competent and can meet requirements with respect to capacity and credit, and, by inference, accept such certification that the concern is a small business concern.

The Senator from Louisiana [Mr. ELLENDER] is also a member of the Senate Small Business Committee. I may say to the Senator from Michigan [Mr. VANDENBERG] that the language to which reference has been made leaves largely to the discretion of the Smaller War Plants Corporation the determination of what is a small business concern. I recognize the logic of the Senator's argument, and I wish he would put his fertile mind to work on the matter and help us frame a proper definition. I am at a loss to make any suggestion as to what a legal definition of the term "small business" should be. I cannot go further in arriving at a proper definition than merely to say that in general, it contemplates the employment of not more than a certain number of men, and that it is an independent concern not connected in any way with a larger concern. Conceivably, a steel company could employ only a thousand or 2,000 men. It could employ more than 500 men and yet be a small business so far as the steel industry is concerned. As a practical proposition, it has been extremely difficult to arrive at a proper definition, and I do not know a better way of working it out than by giving to some agency the discretion of determining whether a business is a small business. It might be done under certain safeguards, together with the requirement that one of the agencies of government should make the decision in such a way that no imposition or abuse could be exercised.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. HILL. I invite the Senator's attention to the fact that when the Senate passed the George bill it followed the principle stated by the Senator from Tennessee, namely, that of leaving the matter absolutely in the hands of the administrator. On page 11 of Senate bill



2051, in section 203 (a) we find the following provision:

Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

There we have a special provision dealing with what the bill called "any small plant"; but no effort was made to define what is a small plant. It was left to the good judgment and wise discretion of the Administrator to determine in each case what is a small plant, and what should come under the protection which this section would afford for small independent enterprises.

Mr. VANDENBERG. Mr. President, if what the Senator has read is to be the rule, then let it be made the rule, but I submit that it should be set forth as a rule in the statute.

Mr. HILL. So far as the George bill is concerned, it would certainly seem to be the rule. I believe from what the Senator from Tennessee has said and from my observation of the operation of the Smaller War Plants Corporation Act, it is the rule under that act. I ask the Senator from Tennessee if that is not true.

Mr. STEWART. Yes; it is true.

Mr. HILL. The matter is to be left to the sound judgment and wise discretion of the Administrator, having in mind that what Congress is seeking to do is to protect all independent private enterprise.

Mr. STEWART. Of course, the purpose of Congress is actually to lend aid to small independent business enterprises. We all agree with that. We have gone along during the past 2 years without any definition, and have been operating, while contracts were being let by the Government for the manufacture of war munitions. We now have a situation which is the converse. Small businessmen are purchasing from the Government such articles as were manufactured by both large and small businesses during the period.

Mr. CHANDLER. Mr. President, one of the principal objectives of the bill, as I see it, is to put into the hands of small business, surplus property which can be used by small business. An administrator who is as familiar with such work as the Administrator of small business is, and as the committee has been, should not get into difficulties by being imposed upon by persons who do not represent small business, and who are actually in fact not connected with small business.

Mr. STEWART. Mr. President, the bill provides prohibitions against speculators, and proposes, to similar purpose and effect, land-disposal provisions, which would turn classification over to the Interior Department, and require farming land to be sold in family-size economic units.

In the case of a sale of property costing \$1,000,000 or more, the board or disposal agency must notify the Attorney

General when it begins negotiations in the transaction and give him all necessary information. The Attorney General then would advise whether the proposed disposition would either violate the antitrust laws, or encourage monopoly or undue concentration of industry or commerce or substantially restrain competition. The disposal authority would be bound by his decision.

But the antimonopoly criterion, as defined in our antitrust laws, is not enough, if free enterprise and competition are to be promoted and small business preserved. Our Small Business Subcommittee found the Attorney General of this opinion, too. There are several classes of surplus property as to which the Government's holdings represent so important a part of the industry that their disposal will involve new and unaccountable circumstances and raise fundamental problems that find no sure direction in existing law. Such problems should be reserved for Congress to determine. For example, the wise disposition of synthetic-rubber plants, aircraft plants, shipyards, and so forth, calls for a fine balancing of a great number of considerations which go to the root of our national economy.

Besides the 3 named above the list of 12 categories includes aluminum plants and facilities, magnesium, chemical, iron and steel; pipe lines and other transportation facilities; radio and electrical equipment. With the exception of aircraft plants and facilities, shipyards, transportation facilities, and radio and electrical equipment, the board would be prohibited from disposing of any of the property until 30 days after it has filed its report with Congress.

I should like to make special mention of the technical intangibles—that is, patents, processes, techniques, and inventions. Many of the plants—for example, high octane and synthetic rubber plants—can be disposed of economically only to companies which have access to the patented technological processes of the industry. In order to widen the base of ownership in such industries, it would be necessary to provide for the licensing of such patents to prospective purchasers of Government plants. The license could be limited to run with the plant. Any specific proposal in this field would have to wait upon the completion of studies on the subject by congressional committees and executive agencies, including, particularly, studies of the disposition of industrial processes and patents, developed at Government expense in privately owned plants and those held by the Alien Property Custodian.

I know of no estimate of the value of this great variety of intangible property, including industrial techniques, processes, and inventions which have been developed in Government plants, at Government expense, or under Government sponsorship, or which have been vested in the Alien Property Custodian under the Trading With the Enemy Act. These, too, will become Government surplus and should be made available to

industry in such a way as will best promote the public interest.

It is well remembered that during World War No. 1 there was a concentrated technical development incident to production for war equal to a far greater span of peacetime years. There is every evidence that our technical strides in the present conflict are even more spectacular. These new techniques constitute an important property and their disposal is a matter of concern, not merely to the individuals and corporations that may obtain them, but to our society as a whole. They are of peculiar interest to small business. They might become a fateful instrument in the hands of monopoly. Their distribution may be a determining factor in the character of our future economy.

The question of the Government's protection of this property against attempts to secure private patents thereon apparently must be considered with that of disposal, if the Government is to have this property to dispose of. Already there have been reports of private individuals securing patents on processes developed in Government plants, in the development of which they had no part. The War Production Board Chairman, Donald Nelson, recently said that this very thing had been giving him a great deal of concern, and that there had been no machinery set up to prevent it.

It appears that little if anything in the way of public policy has been determined with regard to this intangible property. This phase of the subject has had little investigation. In the interest of a socially sound distribution of war-surplus property and in the particular interest of small business, disposition of this class of property should be fully studied and carefully planned.

Thus it is highly important that technical intangibles be included in the planning list. I should like to add that this class has also been included in the classification of property for the disposal of which the board must obtain specific clearance from the Attorney General. It is an important contribution which the Military Affairs Committee made to the bill.

The bill requires that through the director, both owning and disposal agencies shall arrange for the widest practicable advertisement of property to be disposed of, and shall reduce lots offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned. The latter provision is qualified to meet the conditions under which dispositions are actually being made. The subcommittee found that an inflexible rule for the sale of all surplus in small lots would not be feasible for some real property and equipment and even for food. It is likely that an inflexible application of such a regulation would militate to the disadvantage of small business. Hence, the directions which the subcommittee has written into the bill have been carefully qualified.

Moreover, the subcommittee has concluded that the effective role of the Smaller War Plants Corporation as an aid to the small purchaser will depend



more on positive assistance than in preventive surveillance. In other words, representatives of the Corporation can do more by developing the small business markets in coordination and cooperation with the field forces of the disposal agencies than by merely policing these agencies. Since some of the disposal agencies are finding it important on occasion, in the interest of dispatch, to conduct sales in the field without waiting to complete their central inventories or awaiting specific direction from the central office in Washington, effective cooperation on the part of the Corporation should occur, it seems, on the administrative level, as well as with the policy-making officers. Specific directions on this score cannot well be written into general legislation, but the Small Business Subcommittee has sought to suggest this character of cooperation in section 14 of the bill, and especially in paragraph (b) of that provision.

Under Public Law 603, the Corporation in 1942 was authorized to take prime war contracts from Government procurement agencies in behalf of small business. This authority was little exercised; nevertheless, in the opinion of the director of the Corporation, it was of value in securing a more adequate share of war business for small plants. Despite some protest from disposal agencies and the present Surplus War Property Administrator, the small business committee remains of the opinion, and the Military Affairs Committee has concurred, that a similar authority should be conferred on the Corporation in the disposal of surplus property. Hence it has included in the bill a provision to grant the Corporation the power to purchase surplus property for resale to small businesses, when in the opinion of the director such purchase is required to preserve and strengthen the competitive position of small business.

In this connection there is one other provision which has a bearing on the monopoly question, and that is the requirement that every sale of a surplus plant must carry with it provision for its operation for 2 years thereafter. Allowances, of course, would be made for getting the plant set up and under operation after sale.

Believing that States, counties, cities, and tax-supported and nonprofit institutions can provide a socially useful outlet for certain surplus property and substantial relief in solving the problem of disposal, the subcommittee has included provisions for donation to them of property acquired for school use. Donation of such property to private institutions not operated for profit has been placed in the discretion of the Commissioner of Education. Other property which could not profitably be placed on the market may also be donated to local governments, and institutions of this character will be allowed to buy surplus property at a 50-percent discount.

Moreover, and in view of the very large amount of surplus medical supplies and equipment in prospect, the bill provides for their donation to tax-supported and nonprofit medical institutions under similar discretionary restriction.

The so-called G. I. bill made general provision for our veterans returning after this war, but I believe some of the vast stores of surplus property which will be on hand then can also be used to assist them in getting a new start in peacetime pursuits. To the extent that this can be done, I want to see full use made of suitable surplus property. I believe it is the common impulse of the whole civilian population of this Nation to grant the men who have borne arms in our behalf a preference in acquiring surplus goods. Senate bill 2065 includes specific direction to the board, in cooperation with the Administrator of Veterans' Affairs, to prepare and submit to Congress within 6 months after the passage of the act a plan for distributing at a discount to service men and women goods of use to them in reestablishing themselves in our domestic economy.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield to the Senator from Alabama.

Mr. HILL. The bill we are now considering is really the bill which was written by the subcommittee of the Committee on Small Business, of which the distinguished Senator from Tennessee [Mr. STEWART] is the chairman. As I recall the distinguished Senator from Ohio [Mr. TAFT] is a member of that subcommittee, and collaborated very effectively with the Senator from Tennessee, and, then, these two distinguished Senators were joined, I understand, by the Senator from Montana [Mr. MURRAY]. That is the bill which the Subcommittee on Military Affairs considered; it is the bill which is now before the Senate, with modification and amendments made by the Senate Committee on Military Affairs. I think there is no fundamental change made in the Stewart-Taft-Murray bill, except the provision substituting a board for a single administrator. There were many changes made, but no fundamental changes except that, and the other changes preserved the underlying principles and underlying philosophy of the Stewart-Taft-Murray bill.

I wish to say that the Senator from Tennessee and his associates did a tremendous amount of work, holding hearings, giving thought and consideration to the preparation of this bill, and rendered very great service in formulating it. I think the Senator from Tennessee and his associates are to be wholeheartedly commended for the invaluable service they render and the fine helpful constructive work they did in connection with this bill.

I wish to say also that the distinguished Senator from Colorado [Mr. JOHNSON] prepared a bill (S. 2045) which was very much in line with the Stewart-Taft-Murray bill and the provisions of which proved most helpful to the Senate Committee on Military Affairs in its work on the pending legislation. The bill of the Senator from Colorado embodied the idea of a board. It was the idea of the Senator from Colorado with reference to a board rather than a single administrator which the Senate Committee on Military Affairs adopted.

All these Senators who have given so much thought and time and effort to working on this legislation rendered a great service in helping the Senate Committee on Military Affairs to bring this legislation to the floor of the Senate.

Mr. STEWART. Mr. President, I thank the Senator from Alabama for his remarks. The work was, of course, first begun with the idea of aiding small business, and it grew into the bill itself. I will say to the Senator from Alabama and to other Senators that in our work we have had the assistance of a most excellent staff. The staff has worked untiringly on the bill, and has devoted considerable time to it.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. STEWART. I yield to the Senator from Massachusetts.

Mr. WEEKS. I should like to ask the Senator from Tennessee a question with respect to section 19 of the bill. My question relates to the prohibition of the manufacture of articles or commodities for civilian use in plants acquired by the Defense Plant Corporation in competition with any private industry. Do I correctly understand that all the plants which are to be disposed of under section 16, "Disposition of Plants," will be in the control of the Defense Plant Corporation? In other words, is that an all-inclusive provision?

Mr. STEWART. I do not know whether I am qualified to answer the question. That section was taken from the Johnson bill. The senior Senator from Colorado is, unfortunately, not on the floor at the moment. I shall not undertake to construe that section. It was not in the original draft of the bill which I introduced, but, as I understand, was taken from the draft of the Johnson bill. I will not hazard a guess on that question because I am afraid my opinion would not be worth very much. I suggest that some member of the Military Affairs Committee, which placed that provision in the bill, can make a better explanation of it than I can.

Mr. CHANDLER. Mr. President, I think the point made by the Senator from Massachusetts is well taken, and I ask the attention of the Senator from Alabama [Mr. HILL]. The provisions of section 19 referred to is as follows:

Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

As I recall, the words "in plants acquired by the Defense Plant Corporation" were stricken out in committee. I think they were inserted in the bill through oversight. I think my statement is an accurate one.

Mr. HILL. I think the Senator from Kentucky is correct in his statement.

Mr. CHANDLER. I think the striking of those words will meet the objection.

Mr. HILL. Some additional language was also stricken. When we were considering the other language I think the idea was that we should also strike out, "by the Defense Plant Corporation."



Mr. CHANDLER. Yes. I think the inclusion of that language is the result of an oversight. Perhaps the committee failed to strike it out.

Mr. HILL. Mr. President, the Senator from Colorado [Mr. JOHNSON], as we know, is the author of this section of the bill. He has been called from the Senate for the moment on some important matter. Tomorrow we will discuss that point with him.

Mr. AUSTIN. Mr. President, I understand that what we did was to strike out the words "or manufacture or produce any articles or commodities for military use."

Mr. CHANDLER. That is correct.

Mr. AUSTIN. And that left the language of the section as follows:

Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use in plants acquired by the Defense Plant Corporation.

Mr. CHANDLER. Is it the Senator's understanding that the words "in plants acquired by the Defense Plant Corporation" should remain?

Mr. AUSTIN. Yes. If those words do not remain there would be no sense to the sentence. If they were to be stricken out the language would read, and it will be seen that it would constitute an unfinished sentence:

Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use.

It was not our purpose to leave the sentence in that state, as I understand. It was our purpose to strike out the words "or manufacture or produce any articles or commodities for military use" in connection with plants acquired by the Defense Plant Corporation.

**SPECIAL COMMITTEE TO INVESTIGATE  
THE NATIONAL DEFENSE PROGRAM—  
LIMIT OF EXPENDITURES**

Mr. HAYDEN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that I may report from the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 319, for which I desire to ask immediate consideration.

The PRESIDING OFFICER. Without objection, the unfinished business is temporarily laid aside and the report will be received. The resolution will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 319) to increase the limit of expenditures of the Special Committee to Investigate the National Defense Program.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WHITE. Mr. President, I wish to be sure I correctly understand the resolution. My belief is that this is a resolution which came from what was formerly known as the Truman committee.

Mr. HAYDEN. That is correct.

Mr. WHITE. And which now comes before the Senate with a report from the

Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HAYDEN. That is correct.

Mr. WHITE. Mr. President, this committee has been long at work, and I feel that it probably is wise that it should conclude its efforts at some time. I think in those circumstances appropriate funds should be made available to it. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 319) submitted by Mr. MEAD on August 10, 1944, was considered and agreed to, as follows:

*Resolved*, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to on March 1, 1941, and subsequent resolutions, relating to the investigation of the national defense program, hereby is increased by \$100,000.

Mr. WHERRY. Mr. President, I offer an amendment to the resolution.

The PRESIDING OFFICER. Does the Senator wish to offer an amendment to the resolution which has just been agreed to?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. Without objection, the vote by which the resolution was agreed to will be reconsidered.

Mr. WHERRY. Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the resolution, it is proposed to add the following:

Hereafter, standing or select committees utilizing the services of persons who are not full-time employees of the Senate shall submit monthly reports to the Senate (or to the Secretary during a recess or adjournment) showing (1) the name and address of any such person; (2) the name and address of the department or organization by whom his salary is paid; and (3) the annual rate of compensation in each case.

Mr. HAYDEN. Mr. President, I think that that is hardly an appropriate amendment to a resolution which merely extends authority granted heretofore by the Senate to a particular committee. That is a general proposal which ought to be considered by the Senate, it seems to me, on its own merits.

Mr. HILL. Is not this a proposal which should go to the Rules Committee, perhaps, or to some other appropriate committee for consideration?

Mr. HAYDEN. Yes, Mr. President. What the Senator is proposing to do, I think, is practically to amend the rules of the Senate by requiring periodical reports by committees such as the Truman committee.

Mr. WHERRY. Mr. President, I admit that if the amendment is adopted, it will apply to each and every standing committee or special committee of the Senate. I feel that the language is germane. I feel that it should be made a part of the resolution, as well as other resolutions. I shall ask the Chair for a ruling respecting the germaneness of the amendment.

The PRESIDING OFFICER. There is no question of its germaneness. Ob-

viously the amendment is in order. The question is on the merits of the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HILL. The Senator knows, of course, that with the exception of general appropriation bills the Senate has no rule with respect to germaneness. There is no question about the Senator's amendment being germane. It seems to me that a matter of this kind ought to go to a committee for study. It deals with the procedure of the Senate. It deals with the procedure of the committees of the Senate. It might be that if the Senator's amendment went to a committee he would find something in the amendment which he himself might see fit to change. The Senator's amendment might even be the basis for doing some things which would be constructive and worth while, which the Senator himself does not now even envision.

Mr. President, it seems to me that a matter of this kind, which deals with committees and procedure of committees, and imposes certain duties upon committees, ought not to be considered in connection with a resolution which simply provides additional money for a committee which has been functioning for some time. The amendment should go to the Rules Committee or to an appropriate committee of the Senate to be considered. The Senator, of course, has the right, as any other Senator has to offer the amendment. He can offer an entire bill, if he wants to, as an amendment to a pending measure. The surplus property bill did not have to be considered by a committee. It could have been offered as an amendment to some other bill. The Senator is well within his rights in offering his amendment; but I will say to the Senator that if he lets his amendment go to an appropriate committee the chances are he may find that committee consideration might very well improve what he has in mind. I simply do not think that this is the orderly way and the best way to proceed on a matter of this kind, if I may say so to the Senator.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MEAD. Personally I have no objection to the amendment. I think the Senate ought to take a stand on this matter, and I should like to see it take a definite position which would be in harmony with the contents of the Senator's amendment. So far as our committee is concerned—and I have had nothing to do with the organization of its personnel—it has 34 employees, and only 4 of those are employees of the executive departments of the Government. We endeavored to get away from that practice, and tried for the most part to have as employees of the committee only employees of the Senate. Nevertheless, as the result of my experience on several other committees in the past, I should like to have the Senate, at some time or other, take a determined stand, as a matter of policy, on the question of whether it wishes to borrow employees



from the departments, or make it a policy for the committees to engage their own employees. I should like to see the latter course pursued.

I have no objection to the amendment, but it really does not apply in this instance. It probably is so important that it would be much better if it were given special attention by an appropriate committee of the Senate so that a determination that would be permanent and lasting could be agreed upon.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the junior Senator from Louisiana.

Mr. ELLENDER. I heartily endorse the purposes which the Senator from Nebraska has in mind. On several occasions it has come to my attention that a special committee has asked for \$25,000 or \$30,000, and has then engaged special investigators paid by Government departments, so that the total amount spent for the investigation, including the salaries of investigators from the departments, might be \$50,000 or \$75,000, much more than the amount appropriated for the committee.

I was hopeful that the Senator would prepare his amendment in such form that it could be referred to the Committee on Rules and made to apply to all standing and special committees.

Mr. WHERRY. Mr. President, I deeply appreciate the remarks just made by the junior Senator from Louisiana, and also the remarks of the junior Senator from New York, as well as those of the distinguished Senator from Alabama.

I wish Senators to know that I have no ulterior motive in offering the amendment to this particular resolution. No one has appreciated the work of the so-called Truman committee more than I have. I have made no analysis of the list of employees of the committee. I merely felt, as a result of the legislation which we had before us last week, that the time had arrived to attach such an amendment to the first resolution which came along. I felt that that was the quickest way to handle the problem. I cannot conceive of the slightest objection to what I am trying to accomplish by the amendment. I cannot see why any Senator should object to it. I do not wish to precipitate an argument. I have no ulterior motive. I believe that it would be good business to adopt the amendment, and that this is a proper way to legislate. I had hoped that the amendment would be acceptable, and that there would be no difficulty about it, because it has merit. I should like to have the junior Senator from New York accept it. It would apply to all other committees. I cannot see any reason why any Senator should object to it.

It is all very well to talk about referring the amendment to the Rules Committee and having it rewritten. This is a simple amendment. It merely provides for a report showing the names and addresses of employees, the department or organization by whom their salaries are paid, and the annual rate of compensation in each case.

I should like to have the junior Senator from New York accept the amend-

ment. I have the highest regard for him. I have worked with him on committees. I feel that he is in accord with what I am trying to do. If he will accept the amendment, I think it will be of benefit not only to the Senate, but to the people of the country.

Mr. MEAD. Mr. President, permit me to say to the distinguished Senator from Nebraska that, if it is agreeable to the acting chairman of the committee, who reported the resolution, it is entirely agreeable to me to accept the amendment. In fact, I feel that it is something we could do.

Mr. FERGUSON. Mr. President, on the question of interpretation of the amendment, I notice that it contains the wording "persons who are not full-time employees of the Senate." To state a hypothetical case, if a person worked for a committee, and spent his full time with the committee, would this amendment cover him?

Mr. WHERRY. It would cover all those who are loaned to a committee, either part time or full time. The amendment would not require a report as to the employees of any Senator. The language of the amendment is:

Hereafter, standing or select committees utilizing the services of persons who are not full-time employees of the Senate shall submit monthly reports to the Senate (or to the secretary during a recess or adjournment) showing (1) the name and address of any such person; (2) the name and address of the department or organization by whom his salary is paid; and (3) the annual rate of compensation in each case.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAYDEN. I believe that the amendment would be improved by adding after the words "employees of the Senate" the words "or any committee thereof," because there might be a distinction between an employee of the Senate and an employee of a committee.

Mr. WHERRY. I accept that modification.

Mr. FERGUSON. Mr. President, I am in full accord with this amendment. I do not believe that it would interfere with the activities of the committee whose appropriation is now under consideration. I believe that it would be a good thing for the Senate to know who is being borrowed from executive departments and used by the Senate, either full time or part time.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HATCH. I have no objection to the amendment or to what the Senator is trying to do. As I have heard it read, I am wondering what these words mean:

Standing or select committees utilizing the services of persons.

That is a very broad term. The language "utilizing the services of persons" is very broad. I have in mind the Committee on Agriculture and Forestry, of which I am a member. Frequently employees of the Department of Agriculture sit with us for an hour or so working on amendments or legislation. When that happens we are "utilizing the services"

of such persons. Would we be compelled to make a report to the Senate? The same thing may apply to other committees.

Mr. WHERRY. If they are being utilized part time or full time, a report must be made.

Mr. HATCH. If that is the interpretation, there will be many complications if this amendment is adopted, because there is not a committee in the Senate which does not send for various persons from the departments. They come before the committee to give advice. Perhaps they are there 15 minutes, 30 minutes, or an hour. This amendment would require the committee to report that sort of a transaction to the Senate.

I am not quarreling with the theory of what the Senator is trying to do. I am merely wondering what he is doing. Employees of the Department of State are constantly before the Committee on Foreign Relations. Employees of the War Department are constantly before the Committee on Military Affairs. Are all such transactions to be reported?

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CHANDLER. In a little while it will be necessary to add a member to the staff of each committee and pay him to keep books.

Mr. HATCH. I am merely pointing out the practical situation in connection with the amendment.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Would the Senator from New Mexico be satisfied if the word "utilizing" were changed to "employing"?

Mr. HATCH. I was not quarreling over the use of the word "utilizing." I was merely trying to ascertain the practical effect of what is proposed. The word "employing" is a much better word than "utilizing."

Mr. WHERRY. I have no objection to that change. I accept the modification suggested by the Senator from Michigan, changing the word "utilizing" to "employing."

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HATCH. I believe that "employing" is a much better word than "utilizing." However, I believe that this is a very poor way to legislate. I feel that the amendment should be referred to the Committee on Rules.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAYDEN. That was what I had in mind when I suggested that the amendment should be referred to the Committee on Rules. When we legislate in a hurry we do not know exactly what we are doing. The term which we have usually employed is "loaned by a department to a committee." That is, the salary is paid by the department, but the time and services are loaned to a Senate committee. If a person is hired and paid by a department he cannot be employed by a committee. He is not an employee



**H. R. 5125**

Read twice and ordered to lie on the table.

9 (b) to facilitate the transition of enterprises from  
10 wartime to peacetime production and of individuals  
11 from wartime to peacetime employment;



(c) to promote production, employment of labor,  
and utilization of the productive capacity and the natu-  
ral and agricultural resources, of the country;

4 (d) to avoid dislocations of the domestic economy  
5 and of international economic relations;

6 (e) to discourage monopolistic practices, preserve  
7 and strengthen the competitive position of small business;

8 (f) to foster the wide distribution of surplus com-  
9 modities to consumers at fair prices;

10 (g) to effect broad and equitable distribution of sur-  
11 plus property; and

(h) to realize the highest obtainable return for the Government consistent with the maintenance and encouragement of a healthy competitive economy.

## 15 DEFINITIONS

16        SEC. 2. As used in this Act—

(a) The term "Government agency" means an executive department or independent agency in the executive branch of the Federal Government, and any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the Government agency having control of such property otherwise than solely as a disposal agency.

25 (c) The term “disposal agency” means any Govern-

1 ment agency designated under section 8 of this Act to dispose  
2 of one or more classes of surplus property.

3 (d) The term "property" means any interest, owned  
4 by the United States or any Government agency, in real  
5 or personal property, of any kind, wherever located.

6 (e) The term "surplus property" means any property  
7 which has been determined to be surplus to the needs and  
8 responsibilities of the owning agency in accordance with  
9 section 6 of this Act.

10 (f) The term "contractor inventory" means (1) any  
11 property related to a terminated contract of any type with  
12 a Government agency or to a subcontract thereunder; and  
13 (2) any property acquired under a cost-plus-a-fixed-fee  
14 contract and in excess of the amounts needed to complete  
15 performance thereunder; and (3) any property which the  
16 Government is obligated to take over under any type of  
17 contract as a result of any change in the specifications or  
18 plans thereunder.

19 (g) The term "care and handling" includes repairing  
20 converting, rehabilitating, operating, maintaining, preserv-  
21 ing, protecting, storing, packing, handling, and trans-  
22 porting.

23 (h) The term "option" means any contractual right  
24 to retain or acquire any property at a price and upon terms  
25 prescribed or determined by or under the contract.



1       (i) The term "person" means any individual, corpora-  
2       tion, partnership, firm, association, trust, estate, or other  
3       entity.

4       (j) The term "Administrator" means the Surplus Prop-  
5       erty Administrator.

6                   SURPLUS PROPERTY ADMINISTRATOR

7       SEC. 3. (a) There is hereby established the Surplus  
8       Property Administration which shall be headed by a Surplus  
9       Property Administrator. The Administrator shall be ap-  
10      point by the President by and with the advice and consent  
11      of the Senate and shall receive compensation at the rate of  
12      \$12,000 per year. The term of office of the Administrator  
13      shall be two years.

14      (b) The Administrator may, within the limits of funds  
15      which may be made available, employ and fix the compen-  
16      sation of necessary personnel in accordance with the pro-  
17      visions of the civil-service laws and the Classification Act of  
18      1923 and make expenditures for supplies, facilities, and  
19      services necessary for the performance of his functions under  
20      this Act. The Administrator shall perform the duties im-  
21      posed upon him through the personnel and facilities of the  
22      established Government agencies so far as consistent with  
23      his duty to insure uniform and efficient administration of the  
24      provisions of this Act.

25      (c) The Administrator shall have general supervision

1 and direction, as provided in this Act, over (1) the care and  
2 handling and disposition of surplus property and (2) the  
3 transfer of surplus property between Government agencies.

4 SURPLUS PROPERTY ADVISORY BOARD AND SALES AND  
5 DISTRIBUTION ADVISORY COMMITTEES

6 SEC. 4. (a) There is hereby created a Surplus Property  
7 Advisory Board with which the Administrator shall advise  
8 and consult. The Board shall be composed of the Admin-  
9 istrator, who shall act as its Chairman, and of the Secre-  
10 tary of State, the Secretary of the Treasury, the Secretary  
11 of War, the Secretary of the Navy, the Attorney General, the  
12 Secretary of Commerce, the Secretary of the Interior, the  
13 Secretary of Agriculture, the Secretary of Labor, the Chair-  
14 man of the Board of Directors of Smaller War Plants Cor-  
15 poration, the Chairman of the United States Maritime Com-  
16 mission, the Chairman of the War Production Board, the  
17 Administrator of the War Food Administration, the  
18 Administrator of the Federal Works Agency, the Chairman  
19 of the Civil Aeronautics Board, Civil Aeronautics Adminis-  
20 tration Administrator, and the Administrator of the Foreign  
21 Economic Administration, or any alternate or representative  
22 designated by any of them.

23 (b) The Administrator shall appoint, without regard to  
24 the provisions of the civil-service laws and the Classification  
25 Act of 1923, a sales and distribution advisory committee



1 of not less than nine members for each class of property  
2 which is to be sold or otherwise disposed of. The members  
3 of each such advisory committee shall be appointed from  
4 among persons who, by reason of their business experience,  
5 are familiar with the handling and marketing of such class  
6 of property, or similar property, and shall include representa-  
7 tives of both small and large established retail and whole-  
8 sale distribution firms and manufacturers (where general  
9 manufacturer interest exists). Members of these commit-  
10 tees shall serve without pay, but shall be compensated for  
11 their actual traveling and subsistence expenses while absent  
12 from their homes in performance of their committee duties.

13 REPORTS TO CONGRESS

14 SEC. 5. (a) Within three months after the enactment  
15 of this Act, and thereafter in January, April, July, and  
16 October of each year, the Administrator shall submit to the  
17 Senate and House of Representatives a progress report on  
18 the exercise of his authority and discretion under this Act,  
19 the status of surplus property disposition, and such other  
20 pertinent information on the administration of the Act as  
21 will enable the Congress to evaluate its administration and  
22 the need for amendments and related legislation.

23 (b) The Administrator shall submit to the Senate and  
24 House of Representatives copies of the regulations prescribed  
25 by him from time to time under this Act within ten days

1 after the publication of such regulations in the Federal  
2 Register.

3                   DECLARATION OF SURPLUS PROPERTY

4       SEC. 6. (a) Each owning agency shall have the duty  
5 and responsibility continuously to survey the property in its  
6 control and to determine which of such property is surplus  
7 to its needs and responsibilities. If, in the course of the  
8 performance of his duties under this Act, the Administrator  
9 has reason to believe that any owning agency has property  
10 which is surplus to its needs and responsibilities which it has  
11 not reported as such, the Administrator shall promptly report  
12 that fact to the Senate and the House of Representatives.

13       (b) Each owning agency shall promptly report to the  
14 appropriate disposal agency all surplus property in its con-  
15 trol which the owning agency does not dispose of under  
16 section 7.

17                   DISPOSITION BY OWNING AGENCY

18       SEC. 7. (a) Subject only to the regulations of the  
19 Administrator with respect to price policies, any owning  
20 agency may dispose of any property for the purpose of war  
21 production or authorize any contractor with such agency or  
22 subcontractor thereunder to retain or dispose of any con-  
23 tractor inventories for the purpose of war production.

24       (b) Subject to subsection (c) of this section, and in  
25 accordance with the policies governing the disposition of



1 surpluses contained in section 11 of this Act, any owning  
2 agency may dispose of—

3 (1) any property which is damaged or worn beyond  
4 economical repair;

5 (2) any waste, salvage, scrap, or other similar  
6 items;

7 (3) any product of industrial, research, agricul-  
8 tural, or livestock operations, or of any public works  
9 construction or maintenance project, carried on by such  
10 agency;

11 (4) any contractor inventory in its control; and

12 (5) any class or type of surplus property in its  
13 control designated by the Administrator.

14 (c) Whenever he deems such action necessary to effec-  
15 tuate the objectives and policies of this Act, the Administrator,  
16 by regulations, shall restrict the authority of any owning  
17 agency to dispose of any class of surplus property under  
18 subsection (b) of this section.

19 DISPOSAL AGENCIES

20 SEC. 8. (a) The Administrator, by regulations, shall  
21 designate one or more Government agencies to act as dis-  
22 posal agencies under this Act and shall prescribe the class  
23 or classes of surplus property to be disposed of by each such  
24 agency: *Provided, however,* That the United States Maritime

1 Commission shall be the sole disposal agency for merchant  
2 vessels or vessels capable of conversion to merchant use, and  
3 that such vessels shall be disposed of in accordance with the  
4 provisions of the Merchant Marine Act, 1936, as amended,  
5 and other laws authorizing the sale of such vessels.

6 (b) When any surplus property is reported to it under  
7 subsection (b) of section 6, the disposal agency shall have  
8 responsibility and authority for the disposition of such prop-  
9 erty, and for the care and handling of such property pending  
10 its disposition. Where the disposal agency is not prepared,  
11 at the time of its designation under this Act, to undertake  
12 the care and handling of such surplus property, the Adminis-  
13 trator may postpone the responsibility of the agency to  
14 assume its duty for care and handling for such period as  
15 he deems necessary to permit its preparation therefor.

16 (c) The Administrator, by regulations, shall prescribe  
17 policies, standards, methods, and procedures to govern the  
18 exercise by any disposal agency of its authority under sub-  
19 section (b) of this section.

20 (d) The Administrator shall provide for the disposal  
21 of all surplus property in the smallest practicable lots con-  
22 sistent with the usual and customary commercial practice,  
23 and so long as opportunity exists for the disposal of property  
24 to prospective purchasers of smaller lots thereof, preference



1 shall be given to such purchasers over prospective purchasers  
2 of larger amounts.

3 TRANSFERS BETWEEN AGENCIES

4 SEC. 9. (a) The Administrator shall establish pro-  
5 cedures to facilitate the transfer to each Government agency,  
6 for the performance of its functions, of surplus property of  
7 other Government agencies. Each Government agency shall  
8 make the fullest practicable use of surplus property in order  
9 to avoid unnecessary commercial purchases.

10 (b) The disposal agency responsible for any such prop-  
11 erty shall transfer it to the agency acquiring it at the fair  
12 value of the property as fixed by the disposal agency, under  
13 regulations of the Administrator, unless transfer without  
14 reimbursement or transfer of funds is otherwise authorized  
15 by law.

16 METHODS OF DISPOSITION

17 SEC. 10. (a) (1) Wherever any Government agency  
18 is authorized to dispose of property under this Act, then  
19 the agency may dispose of such property by sale, exchange,  
20 lease, or transfer, for cash, credit, or other property, with or  
21 without warranty, and upon such other terms and conditions,  
22 as the agency deems proper: *Provided*, That no combat  
23 naval vessel, station, or establishment shall be sold, ex-  
24 changed, leased, transferred, or otherwise disposed of except  
25 in accordance with provisions of existing law specifically

1 authorizing the same; and in all cases where such trans-  
2 actions have not been so specifically authorized, then no  
3 sale, exchange, lease, transfer, or other disposition of any  
4 combat naval vessel, station, or establishment shall be made  
5 unless the Congress by law shall authorize it: *Provided fur-*  
6 *ther*, That the Navy Department shall be the sole disposal  
7 agency for all such combat vessels, stations, and establish-  
8 ments.

9 (2) Surplus farm commodities shall not be sold in the  
10 United States under this Act in quantities in excess of, or  
11 at prices less than, those applicable with respect to sales of  
12 such commodity by the Commodity Credit Corporation,  
13 unless such commodity is being disposed of, pursuant to this  
14 Act, for export at competitive world market prices.

15 (b) Whenever the Government agency authorized to  
16 dispose of any property finds that it has no commercial value  
17 or that the cost of its care and handling and disposition  
18 would exceed the estimated proceeds, the agency may donate  
19 such property to any agency or institution supported by the  
20 Federal Government or any State or local government, or  
21 to any nonprofit educational or charitable organization, or,  
22 if that is not feasible, shall destroy or otherwise dispose of  
23 such property, but, except in the case of property the imme-  
24 diate destruction of which is necessary or desirable either  
25 because of the nature of the property or because of the



1 expense or difficulty of its care and handling, no property  
2 shall be destroyed in the United States until thirty days  
3 after public notice of the proposed destruction thereof has  
4 been given and an attempt has been made within such thirty  
5 days to dispose of such property otherwise than by  
6 destruction.

7 (c) The Administrator, by regulations, shall prescribe  
8 such policies governing prices and other terms and condi-  
9 tions of dispositions under the authority of subsections (a)  
10 and (b) of this section, as he deems necessary to effectuate  
11 the objectives and policies of this Act.

12 (d) A deed, bill of sale, lease, or other instrument exe-  
13 cuted by or on behalf of any Government agency purporting  
14 to transfer title or any other interest in property under this  
15 Act shall be conclusive evidence of compliance with the pro-  
16 visions of this Act insofar as title or other interest of any  
17 bona fide purchasers for value is concerned.

18 POLICIES GOVERNING DISPOSITION

19 SEC. 11. In formulating regulations to govern the care  
20 and handling and disposition of surplus property under this  
21 Act, the Administrator shall be guided by the objectives  
22 stated in section 1 of this Act, and shall give effect to the  
23 following policies to the extent feasible, and in the public  
24 interest:

25 (a) To facilitate transfers of surplus property of one

1 Government agency to other Government agencies for their  
2 use.

3 (b) To afford public, governmental, educational, chari-  
4 table, and eleemosynary institutions, States, Territories, their  
5 political subdivisions, insular possessions, and the District of  
6 Columbia, volunteer fire companies, and cooperative organi-  
7 zations, an opportunity to fulfill their legitimate needs.

8 (c) To afford returning veterans an opportunity to  
9 establish themselves as proprietors of agricultural, business,  
10 and professional enterprises.

11 (d) To afford those serving in the Army, Navy, Marine  
12 Corps, and all war veterans an opportunity to purchase single  
13 units or small lots of any surplus property at the same price  
14 for which such property has been sold or offered for sale  
15 in large lots.

16 (e) To encourage and foster post-war employment  
17 opportunities.

18 (f) To afford business concerns, both small and large,  
19 opportunities to purchase surplus property on equal terms;  
20 to provide as far as practicable for uniform and wide public  
21 notice concerning surplus property available for disposition  
22 and for adequate time intervals between notice and disposi-  
23 tion so that all interested persons shall have a fair opportunity  
24 to acquire; to protect established business concerns against



1 unfair Government competition by utilizing commercial chan-  
2 nels of distribution in lieu of making direct sales to consumers  
3 so long as a demand for the item in question exists in estab-  
4 lished commercial channels; to refuse to sell to speculators or  
5 persons who would freeze surpluses in large quantities for  
6 any purpose whatsoever except in those cases where a  
7 thorough testing of markets shows that said surpluses cannot  
8 be disposed of through established trade channels; to pro-  
9 hibit the reimportation into the United States of any  
10 surpluses sold for export.

11 (g) To afford former owners of surplus real property  
12 acquired by the Government by the exercise of its war powers  
13 an opportunity to reacquire such property.

14 (h) To dispose of land in the United States, acquired  
15 by the United States after July 2, 1940, which the Ad-  
16 ministrator deems suitable only for agricultural use—

17 (1) by affording to the person or persons from  
18 whom such land was acquired by the United States a  
19 reasonable opportunity to reacquire such land at a price  
20 not greater than that for which it was so acquired by  
21 the United States, such acquisition price being properly  
22 adjusted to reflect any increase or decrease in the value  
23 of such land resulting from action by the United States;  
24 and

25 (2) if not disposed of as provided in paragraph

(1), and if the Administrator deems that the land should be disposed of for agricultural uses, in parcels not larger than suitable for the needs of one family unit; not more than one parcel to a family unit, and only for use as agricultural land and home by such family unit.

(i) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

(j) To prevent insofar as possible unusual and excessive profits being made out of surplus property.

(k) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act.

#### APPLICABILITY OF ANTITRUST LAWS

SEC. 12. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit or prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. Upon the request of the Attorney General the Administrator or any other Government agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or any such agency may possess which the Attorney General determines to be pertinent to the application of the antitrust laws to



1 the disposition of surplus property under the provisions of  
2 this Act. As used in this section, the term "antitrust laws"  
3 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),  
4 as amended; the Act of October 15, 1914 (ch. 323, 38 Stat.  
5 730), as amended; the Federal Trade Commission Act;  
6 and the Act of August 27, 1894 (ch. 349, secs. 73, 74,  
7 28 Stat. 570), as amended.

8 DISPOSITION OF PLANTS

9 SEC. 13. (a) No Government agency shall dispose of  
10 any surplus Government-owned plant for the production of  
11 synthetic rubber, or aluminum, any pipe line for the trans-  
12 portation of oil, which cost the Government \$5,000,000 or  
13 more, except in accordance with this section or pursuant to  
14 an option therefor.

15 (b) The Administrator may authorize any disposal  
16 agency to lease any such surplus plant for a term of not  
17 more than five years.

18 (c) The Administrator shall prepare and submit to  
19 Congress a report as to each class of such property—

20 (1) describing the number, cost, and location of  
21 such surplus plants and setting forth other descriptive  
22 information relative to the use and potential use thereof;

23 (2) outlining the economic problems that may be  
24 created by the disposition thereof;

25 (3) setting forth a plan or program for the care and

1 handling, disposition, and use thereof consistent with the  
2 policies and objectives of this Act; and

3 (4) describing any steps already taken with respect  
4 to the care and handling, disposition, and use of the  
5 property, including any contracts relating thereto.

6 The Administrator shall request Government agencies to  
7 submit information and suggestions for use in the preparation  
8 of such reports and shall encourage States, political subdivi-  
9 sions thereof, and private persons to submit such information  
10 and suggestions, and he shall submit to the Congress, together  
11 with each such report, copies or summaries of such informa-  
12 tion and suggestions. After six months from the submission  
13 of a report hereunder, unless the Congress provides other-  
14 wise by law, the Administrator may authorize the appro-  
15 priate disposal agencies to dispose of such property in accord-  
16 ance with the plan or program proposed in the report to  
17 Congress.

18 (d) No Government agency shall dispose of any surplus  
19 Government-owned plant of any character, which cost the  
20 Government \$1,000,000 or more, without the approval of  
21 a majority of the members of the Surplus Property Advisory  
22 Board created under section 4 (a) of this Act, or of a  
23 majority of a quorum of such Board (which quorum shall  
24 not be less than a majority of the Board) at a meeting duly  
25 called for the purpose.



1       (e) The Administrator may authorize any disposal  
2 agency to dispose of any materials or equipment related to  
3 any surplus plant covered by subsection (a) or (d) of this  
4 section, if such materials and equipment are not necessary for  
5 the operation of the plant in the manner for which it is  
6 designed.

7       (f) This section shall not apply to any Government-  
8 owned equipment, structure, or other property operated as  
9 an integral part of a privately owned plant and not capable  
10 of economic operation as a separate and independent unit.

#### 11                               DISPOSITION OF AIRPORTS

12       SEC. 14. No airport shall be disposed of as surplus  
13 property until it has first been offered for sale or lease to the  
14 State and the municipality in which it is situated and to all  
15 contiguous municipalities.

#### 16                               REGULATIONS

17       SEC. 15. The Administrator shall prescribe regulations  
18 to effectuate the provisions of this Act. Each Government  
19 agency shall carry out regulations of the Administrator  
20 expeditiously, and shall issue such further regulations not in-  
21 consistent with the regulations of the Administrator as it  
22 deems necessary and desirable to carry out the provisions of  
23 this Act. The regulations prescribed under this Act shall be  
24 published in the Federal Register.

## GENERAL PROVISIONS

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SEC. 16. (a) Each Government agency shall submit to the Administrator (1) such information and reports with respect to surplus property in its control, in such form and at such times as the Administrator may direct; and (2) information and reports with respect to other property in its control, to such extent, and in such form as the agency deems consistent with national security.

(b) Any Government agency may execute such documents for the transfer of title or other interest in property under this Act or take such other action as it deems necessary or proper to transfer or dispose of property under this Act or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Administrator. In the case of real property, the form of the deed or other instrument of transfer shall be approved by the Attorney General.

(c) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall be liable with respect to such disposition except for his own fraud.

(d) Any Government agency responsible for the care and handling of any property may take such action for the



1 care and handling of such property, and for completion of  
2 any semifabricated property, as it deems necessary or desir-  
3 able to effectuate the objectives and policies of this Act.

4 (e) Each disposal agency shall maintain in each of its  
5 disposal offices such records of its inventories of surplus prop-  
6 erty and of each disposal transaction negotiated by that office  
7 as the Administrator may prescribe. The information in  
8 such records shall be available at all reasonable times for  
9 public inspection.

10 (f) Nothing in this Act shall be deemed to impair or  
11 modify any contract or any term or provision of any contract  
12 without the consent of the contractor, if the contract or the  
13 term or provision thereof is otherwise valid.

14 DISPOSITION OF PROCEEDS

15 SEC. 17. (a) All proceeds from any transfer or dis-  
16 position of property under this Act shall be deposited and  
17 covered into the Treasury to the credit of a special fund  
18 which shall be used exclusively for the reduction of the  
19 public debt, except as provided in subsections (b), (c),  
20 (d), and (e) of this section.

21 (b) Where the property transferred or disposed of was  
22 acquired by the use of funds either not appropriated from  
23 the general fund of the Treasury or appropriated from the  
24 general fund of the Treasury but by law reimbursable from  
25 assessment, tax, or other revenue or receipts, then upon the

1 request of the interested agency the net proceeds of the dis-  
2 position or transfer shall be credited to the reimbursable fund  
3 or appropriation or paid to the owning agency. As used in  
4 this subsection the term "net proceeds of the disposition or  
5 transfer" means the proceeds of the disposition or transfer  
6 minus all expenses incurred for care and handling, com-  
7 pletion of semifabricated property, and disposition or transfer.

8 (c) To the extent authorized by the Administrator,  
9 any Government agency disposing of property under this  
10 Act (1) may deposit, in a special account with the Treasurer  
11 of the United States, such amount of the proceeds of such  
12 dispositions as it deems necessary to permit appropriate  
13 refunds to purchasers when any disposition is rescinded or  
14 does not become final, or payments for breach of any war-  
15 ranty, and (2) may withdraw therefrom amounts so to be  
16 refunded or paid, without regard to the origin of the funds  
17 withdrawn.

18 (d) Where a contract or subcontract authorizes the  
19 proceeds of any sale of property in the custody of the con-  
20 tractor or subcontractor to be credited to the price or cost  
21 of the work covered by such contract or subcontract, the  
22 proceeds of any such sale shall be credited in accordance  
23 with the contract or subcontract and shall not be subject to  
24 subsection (a) of this section.

25 (e) Where property is transferred or disposed of under



1 this Act for any consideration other than legal tender of the  
2 United States, the disposal agency shall convert such con-  
3 sideration into legal tender of the United States as rapidly  
4 as it deems practicable, and pending such conversion, shall  
5 retain, preserve, and manage such consideration, in such  
6 manner as it deems appropriate. Where the disposal agency  
7 acquires or retains any mortgage, lien, or other interest as  
8 security in connection with any transfer or disposition of  
9 property under this Act, the disposal agency shall retain,  
10 preserve, and manage such security and may enforce and  
11 settle any right of the Government with respect thereto in  
12 such manner and upon such terms as it deems in the best  
13 interest of the Government. The Administrator may pre-  
14 scribe regulations to govern the exercise of the authority  
15 granted under this subsection.

16 USE OF APPROPRIATED FUNDS

17 SEC. 18. (a) Any Government agency is authorized to  
18 use for the disposition of property under this Act, and for its  
19 care and handling, and for the completion of semifabricated  
20 property, pending such disposition, any funds heretofore  
21 or hereafter appropriated, allocated, or available to it for  
22 the purpose of production or procurement of such property.

23 (b) There are authorized to be appropriated such sums  
24 as may be necessary or appropriate for administering the  
25 provisions of this Act.

## DELEGATION OF AUTHORITY

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SEC. 19. (a) The Administrator may delegate any authority and discretion conferred upon him by this Act to any Deputy Administrator or Assistant Administrator, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate, and authorize successive redelegations of, any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Administrator, to any other Government agency.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

## APPLICABILITY

SEC. 20. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless



1 and until superseded by regulations of the Administrator or  
2 of the agency in accordance with this Act.

3 SEC. 21. (a) Nothing in this Act shall limit or affect  
4 the authority of commanders in active theaters of military  
5 operations to dispose of property in their control.

6 (b) The provisions of this Act shall be applicable to  
7 dispositions of property within the United States and else-  
8 where, but the Administrator may exempt from some or  
9 all of the provisions hereof, dispositions of property located  
10 outside of the continental United States or in Alaska, when-  
11 ever he deems that such provisions would obstruct the efficient  
12 and economic disposition of such property in accordance with  
13 the objectives of this Act.

14 SEC. 22. (a) The authority conferred by this Act is  
15 in addition to any authority conferred by any other law and  
16 shall not be subject to the provisions of any law inconsistent  
17 herewith. This Act shall not impair or affect any authority  
18 for the disposition of property under any other law, except  
19 that the Administrator may prescribe regulations to govern  
20 any disposition of surplus property under any such authority  
21 to the same extent as if the disposition were made under this  
22 Act, whenever he deems such action necessary to effectuate  
23 the objectives and policies of this Act.

24 (b) Nothing in this Act shall impair or affect the pro-  
25 visions of the Emergency Price Control Act of 1942, as

1 amended; or the Act of October 2, 1942 (ch. 578, 56 Stat.  
2 765), as amended; or of section 301 of the Second War  
3 Powers Act, 1942; or of the Act of March 11, 1941 (55  
4 Stat. 31), as amended; or Acts supplemental thereto, or of  
5 any law regulating the exportation of property from the  
6 United States; or of any criminal law of the United States;  
7 or so much of the Military Appropriation Act, 1945, as is  
8 contained in the last two provisos of the second paragraph  
9 under the heading "Corps of Engineers".

10 EFFECTIVE DATE; EXPIRATION

11 SEC. 23. This Act shall become effective from the date  
12 of its enactment. Unless extended by law, this Act shall  
13 expire at the end of three years following the date of the  
14 cessation of hostilities in the present war, as proclaimed by the  
15 President or at an earlier date if such date be designated by  
16 concurrent resolution of the two Houses of Congress.

17 PENALTIES

18 SEC. 24. (a) Whoever, with intent to defraud the Gov-  
19 ernment of the United States, shall knowingly and willfully  
20 violate any of the provisions of this Act shall be fined not  
21 more than \$5,000 or imprisoned not more than five years,  
22 or both.

23 (b) If two or more persons, with intent to defraud the  
24 Government of the United States, enter into any agreement,  
25 confederation, or conspiracy to violate any provision of this



1 Act, and do any overt act toward carrying out such unlaw-  
2 ful agreement, confederation, or conspiracy, such person or  
3 persons shall be fined not more than \$5,000 or imprisoned  
4 not more than five years, or both.

5 SEPARABILITY OF PROVISIONS

6 SEC. 25. If any provision of this Act, or the application  
7 of such provision to any person or circumstance, is held  
8 invalid, the remainder of this Act or the application of such  
9 provision to persons or circumstances other than those as to  
10 which it is held invalid, shall not be affected thereby.

11 SHORT TITLE

12 SEC. 26. This Act may be cited as the "Surplus  
13 Property Act of 1944."

Passed the House of Representatives August 22, 1944.

Attest: SOUTH TRIMBLE,  
*Clerk.*





78TH CONGRESS  
2D Session

H. R. 5125

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## AN ACT

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To provide for the disposal of surplus Government property and plants, and for other purposes.

AUGUST 23 (legislative day, AUGUST 15), 1944

Read twice and ordered to lie on the table

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. WAGNER to the bill (S. 2065)  
to establish a Surplus War Property Administration; to  
provide for the proper disposal of surplus war property;  
and for other purposes, viz: On page 37, after line 16,  
insert the following:

- 1       (h) To devise ways and means and prescribe appro-
- 2 priate regulations and directives to prevent any discrimi-
- 3 nation against any person in the disposal and distribution
- 4 and use of any Government property covered by this Act
- 5 on account of race, creed, or color.



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## AMENDMENT

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Intended to be proposed by Mr. WAGNER to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes. •

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August 23 (legislative day, August 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

---

## AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

1       On page 61, at the end of line 5, strike out the period,  
2       insert a colon, and add the following: "*Provided further,*  
3       That William L. Clayton, Surplus War Property Adminis-  
4       trator, is hereby authorized and directed to sell the tract of  
5       land of approximately five hundred and thirty-two and four-  
6       tenths acres, in Cleveland County, Oklahoma, commonly  
7       known as Moore Field, and more particularly described in,  
8       and acquired through, a declaration of taking executed by  
9       the Under Secretary of the Navy and filed in the United  
10      States District Court for the Western District of Oklahoma,



1 and judgment entered thereon, in the proceedings in such  
2 court entitled "United States of America, petitioner, against  
3 532.4 Acres of Land, More or Less, in Cleveland County,  
4 Oklahoma, and Mrs. J. R. Holliday, and Others, defendants,  
5 numbered 1120-Civil", and to execute and deliver a deed,  
6 or deeds, to the person, or persons, or their heirs or assigns,  
7 from whom the original holdings were acquired: *Provided*  
8 *further*, That the sale price for such land shall be a sum  
9 sufficient to cover the original purchase price and any sums  
10 expended by the Navy Department upon such land or arising  
11 out of the use and occupancy thereof by the Navy Department:  
12 *Provided further*, That the said Surplus War Property  
13 Administrator is hereby authorized to make rules and regulations  
14 necessary to carry into effect the provisions of this  
15 section."





78TH CONGRESS  
2D Session

S. 2065

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## AMENDMENT

---

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

# S. 2065

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

---

## AMENDMENTS

Intended to be proposed by Mr. LA FOLLETTE to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

1       On page 48, between lines 2 and 3, insert a new sub-  
2 section as follows:

3       “(d) The Board may provide, by regulation for reserv-  
4 ing for sale or lease to States, political subdivisions thereof,  
5 including municipalities, and to tax-supported institutions,  
6 such amounts of surplus property as the War Production  
7 Board finds necessary to meet their essential needs.”

8       On page 48, line 3, strike out “(d)” and insert “(e)”.



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## AMENDMENTS

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Intended to be proposed by Mr. La FOLLETTE  
to the bill (S. 2065) to establish a Surplus  
War Property Administration; to provide  
for the proper disposal of surplus war prop-  
erty; and for other purposes.

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AUGUST 23 (legislative day, AUGUST 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. McKELLAR (for himself, Mr. EASTLAND, and Mr. McFARLAND) to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

1       On page 74, line 16, strike out "A" and insert "(a)  
2       Except as provided in subsection '(b)' of this section,".

3       On page 74, between lines 24 and 25, insert a new sub-  
4       section as follows:

5       “(b) (1) All deeds, bills of sale, leases, or other instru-  
6       ments purporting to transfer title or any other interest in  
7       surplus property under this Act shall contain provisions (A)  
8       reserving to the Board the right to examine further transfers



1 of the property covered thereby for the purpose of deter-  
2 mining whether excessive profits have been realized by the  
3 transferee or any subsequent transferee, and (B) requiring  
4 the execution by all subsequent transferors of such property  
5 of instruments containing such reservations in connection  
6 with all future transfers of such property except transfers to  
7 consumers.

8       “(2) As used in this subsection the term ‘excessive  
9 profits’ means the portion of the profits derived from pur-  
10 chase and sale of any item or group of items of surplus  
11 property by any person to whom such property is disposed  
12 of under this Act, or by any subsequent transferee of such  
13 property, which the Board determines in accordance with  
14 this subsection to be excessive. In determining whether  
15 excessive profits have been realized there shall be taken into  
16 consideration the following factors:

17       “(A) reasonableness of profits in the light of nor-  
18 mal pre-war profits, and profits realized in the usual  
19 course of business on similar items which have not been  
20 disposed of under this Act;

21       “(B) amount of capital employed and risk assumed;

22       “(C) character of business and rate of turn-over;

23       “(D) such other factors the consideration of which  
24 the public interest and fair and equitable dealing may re-

quire, which factors shall be published in the regulations of the Board from time to time as adopted.

“(3) In any case in which, in the opinion of the Board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the Board shall enter an order determining the amount, if any, of such excessive profits. The Board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.”



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## AMENDMENTS

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Intended to be proposed by Mr. McKellar (for himself, Mr. Eastland, and Mr. McFarland) to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 23 (legislative day, August 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to be printed

---

## AMENDMENT

Proposed by Mr. McKELLAR (for himself, Mr. EASTLAND, and Mr. McFARLAND) to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz: On page 52, after line 25, insert the following:

1 Surplus farm commodities shall not be sold in the United  
2 States under this Act in quantities in excess of, or at prices  
3 less than, those applicable with respect to sales of such com-  
4 modities by the Commodity Credit Corporation, unless such  
5 commodities are being disposed of, pursuant to this Act, for  
6 export; and the Commodity Credit Corporation may  
7 dispose of or cause to be disposed of for cash, for export at  
8 competitive world prices, any farm commodity or product  
9 thereof without regard to restrictions with respect to the dis-  
10 posal of commodities imposed upon it by any law.



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## AMENDMENT

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Proposed by Mr. McKellar (for himself, Mr. Eastland, and Mr. McFarland) to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 23 (legislative day, August 15), 1944  
Ordered to be printed

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

---

## AMENDMENTS

Intended to be proposed by Mr. LA FOLLETTE to the bill  
(S. 2065) to establish a Surplus War Property Adminis-  
tration; to provide for the proper disposal of surplus war  
property; and for other purposes, viz:

1       On page 47, line 11, after "institutions," insert the  
2 following: "peoples utility districts and cooperative, non-  
3 profit, or limited dividend associations, the projects of which  
4 comply with the requirements of the Rural Electrification  
5 Act of 1936,".

6       On page 47, line 23, after "institutions" insert a comma  
7 and the following: "peoples utility districts and cooperative,  
8 nonprofit, or limited dividend associations, the projects of  
9 which comply with the requirements of the Rural Electrifi-  
10 cation Act of 1936,".



## S. 2065

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### AMENDMENTS

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Intended to be proposed by Mr. La FOLLETTE to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 23 (legislative day, August 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

---

## AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S.2065)  
to establish a Surplus War Property Administration; to  
provide for the proper disposal of surplus war property; and  
for other purposes, viz:

- 1 On page 32, beginning with “(b)” in line 20, strike
- 2 out down through and including the period in line 5 on
- 3 page 33.



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## AMENDMENT

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Intended to be proposed by Mr. ELLENDER to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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AUGUST 23 (Legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

# S. 2065

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 23 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

---

## AMENDMENT

Intended to be proposed by Mr. AIKEN to the bill (S. 2065)  
to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

- 1 On page 52, line 14, after the word "commodities"
- 2 insert: "or food processed from agricultural commodities".



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## AMENDMENT

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Intended to be proposed by Mr. Aiken to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 23 (legislative day, August 15), 1944  
Ordered to lie on the table and to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 25, 1944, for actions of Thursday, August 24, 1944)

(For staff of the Department only)

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Adjournment.....6	Food distribution.....7	Post-war planning....2,4,7,17
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Electrification.....16	Machinery, farm.....9	Rural rehabilitation.....8
Executive authority.....5	Minerals.....12	Small business.....7
Flood control.....10,15	Patents.....13	Transportation.....2,11

HOUSE

1. LEND-LEASE. Received from the President his 16th report on lend-lease operations. To Foreign Affairs Committee. (p. 7375.)
2. TRANSPORTATION; POST-WAR PLANNING. Rep. Randolph, W. Va., spoke in favor of planning for post-war road construction (p. 7378).
3. FOOD PRODUCTION. Rep. Murphy, Pa., inserted the Crop Reporting Board's release of July 10, 1944, showing the production of various crops (pp. 7380-1).
4. POST-WAR PLANNING. Rep. Voorhis, Calif., spoke on "post-war problems of agriculture," favoring expanded foreign trade, full employment, and control of monopolies (pp. 7382-4).
5. EXECUTIVE AUTHORITY. The Select (Smith) Committee to Investigate Executive Agencies submitted its 6th intermediate report (H. Rept. 1797)(p. 7384).
6. ADJOURNED until Mon., Aug. 28 (p. 7384).

SENATE

7. PROPERTY MANAGEMENT. Continued debate on S. 2065, the surplus-property bill (pp. 7345-73). Agreed to the following amendments: By Sen. Bankhead, Ala., providing for a 95%-of-parity commodity-loan rate for cotton under the Stabilization Act (p. 7352); By Sen. Aiken, Vt., to include foods processed from agricultural commodities in Sec. 15 (a), "Disposal of Surplus Agricultural Commodities" (p. 7372); by Sen. Vandenberg, Mich., to authorize owning agencies to dispose or permit disposal of contractor inventories pursuant to policies established by the surplus property board (p. 7347); by Sen. McKellar, Tenn., with respect to farm-commodity sales in compliance with CCC provisions of law.(p. 7348); by Sen. Thomas, Okla., to direct the Secretary of Interior to sell the Moore Airfield tract (which was farm land) (p. 7349-50); by Sen. Kilgore, W. Va., to provide preferences for veterans in professional business in addition to small business and agricultural enterprises (pp. 7369-71); by Sen. Wherry, Nebr., to



provide that no plant shall be used to manufacture civilian commodities in competition with private industry (p. 7371); by Sen. Wherry, to limit to 90 days the time during which the Attorney General must advise the Board or disposal agency whether the proposed disposition (of plants) will violate the antitrust laws or encourage monopoly (p. 7371); and by Sen. O'Mahoney, Wyo., to provide that no property processed by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross (pp. 7371-2).

Discussed and passed over Sen. McKellar's (Tenn.) amendment to provide that all deeds, *etc.*, transferring title to property disposed of under this act shall contain provisions reserving the right of the Board to examine further transfers of the property covered thereby (pp. 7353-68); and Sen. Downey's (Calif.) amendment providing that any real property, acquired for military camps disposed of under this act shall first be offered to the State and political subdivisions thereof in which such property is located (pp. 7368-9).

Sens. Downey, Calif., Hayden, Ariz., and Weeks, Mass., submitted amendment which they intend to propose to this bill (p. 7344).

Sen. O'Mahoney, Wyo., criticized "the threat to every wool grower of the West" by the 200,000,000 pounds of surplus wool held by the Government (pp. 7365-6).

8. **RURAL REHABILITATION.** Received WFA's report on the progress of liquidation of Federal rural-rehabilitation projects. To Appropriations Committee. (p. 7344.)
9. **FARM MACHINERY.** Sen. Langer, N. Dak., inserted a telegram from a constituent stating that combines were exported (p. 7345).
10. **MISSOURI VALLEY AUTHORITY.** Sen. Overton, La., asked unanimous consent that S. 2089, the Missouri Valley bill, be referred to the Commerce Committee after being considered by the Agriculture and Forestry Committee; Sen. Aiken, Vt., objected; and Sen. Overton then stated that he will move to discharge the Agriculture and Forestry Committee and have the bill referred to the Commerce Committee (pp. 7370-1).

#### BILLS INTRODUCED

11. **TRANSPORTATION.** By Sen. Radcliffe, Md., (for himself and Sen. Bailey), S. 2106, to provide for the sale of certain Government-owned merchant vessels. To Commerce Committee. (p. 7344.)
12. **MINERALS.** By Rep. Dingell, Mich., H. R. 5234, for the purpose of conserving the coal resources of the Nation and for other purposes. To Ways and Means Committee. (p. 7385.)
13. **PATENTS.** By Rep. Boykin, Ala., H. R. 5236, to extend temporarily the time for filing applications for letters patent. To Patents Committee. (p. 7385.)
14. **ADMINISTRATIVE LAW.** By Rep. Smith, Va., to improve the administration of justice by prescribing fair administrative procedure. To Judiciary Committee. (p. 7385.)

#### ITEMS IN APPENDIX

15. **RECLAMATION; FLOOD CONTROL.** Sen. O'Mahoney, Wyo., inserted Chicago Sun and St. Louis Post-Dispatch editorials favoring creation of a Missouri Valley Authority (p. A4024).
16. **ELECTRIFICATION.** Rep. Jackson, Wash., inserted Sen. Bone's article, "Tacoma and the Power Fight" (pp. A4027-9).
17. **POST-WAR PLANNING.** Sen. Thomas, Utah, inserted two articles from the magazine "America," on "Reconversion and Employment in the Post-War Period" (pp. A4034-6).



O. H. Britt, president of Local 645 of U. A. W.-C. I. O., at Grand Prairie, refused to comment on the union's position Saturday. He said there were no other local union officials who would venture comment.

The company, it has been reported, is ready to arbitrate with the union on the matter at any time.

#### SHORTAGE OF FARM MACHINERY IN NORTH DAKOTA

Mr. LANGER. Mr. President, I have today received a telegram from Norman G. Jensen, of Portal, N. Dak., dealing with the subject of farm machinery. The telegram is as follows:

Twelve combines exported at Portal today.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes.

The ACTING PRESIDENT pro tempore. The Chair will state the pending question. The question is on agreeing to the amendment proposed to the committee amendment by the Senator from Tennessee [Mr. McKELLAR] on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. McFARLAND], inserting on page 52, after line 25, a new subsection.

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Colorado [Mr. JOHNSON], I wish to invite his attention to page 48 of the bill, line 13, section 13 (a), under the heading "Disposition by owning agency." This section seems to say that a war contractor can be authorized to retain or dispose of any of his contract inventories for the purpose of aiding in the prosecution of the war and for the common defense, provided that no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.

Mr. President, I submit to the Senator that in practice the operation of that section would directly collide with the entire purpose we are undertaking to serve, namely, the purpose of facilitating conversion into peacetime operations, because under this language a contractor with a terminated contract and with a substantial inventory on hand would be allowed to part with his inventory for war purposes at a time when probably there would be no war purposes, but he would be precluded from retaining his own inventory for his own purposes of reconversion. In other words, if the manufacturer who was producing war materials had a substantial contract inventory on hand when the contract was terminated, if he could immediately use half of that inventory in reconversion into peace activity, under this language he would be required, nevertheless, to part with the inventory and go into the open market and start all over again to build up his inventory. In the meantime the Government itself would have to store his inventory. I cannot believe that it is intended to retard the process of reconversion in any such fashion, and I am asking the able

Senator from Colorado what the purpose of the section really is.

Mr. JOHNSON of Colorado. It is not the intention to retard the process of reconversion in any way. The Senator will note that the heading of this section is "Disposition by owning agency." A distinction must be made between the owning agency and a disposal agency. The Senator will recall that the Termination of Contracts Act permitted the Government to make settlement with contractors and subcontractors with respect to their inventories. We did not want the owning agency to turn over some of the surplus property to a contractor or subcontractor, and then have the contractor or subcontractor become, in his own right, a disposal agency, and peddle his inventory to whomsoever would buy.

Mr. VANDENBERG. I should like to interrupt the Senator to say that I totally agree with that purpose, but I think the Senator has overshot the mark.

Mr. JOHNSON of Colorado. Perhaps so. I should like very much to have some assistance from two very able lawyers who assisted in this matter, namely, the Senator from Vermont [Mr. AUSTIN] and the Senator from Wyoming [Mr. O'MAHONEY]. This is very much of a legal matter, as well as a policy matter, and I should like to have their assistance in giving the Senator from Michigan information.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'MAHONEY. Let me say first that the Senator from Colorado needs very little assistance.

Mr. VANDENBERG. He needs some assistance in answering this question, so far as his answer up to this point is concerned.

Before we call in the lawyers, let me add that my suggestion was that we protect this section against any such possible foreclosure of its use in appropriate ways, by adding at the end of the proviso the words "except under policies established by the board." The proviso would then read:

*Provided*, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.

Mr. O'MAHONEY. Mr. President, if the Senator will yield to me, I invite the Senator from Michigan to look on page 76, line 24. There he will find the term "contractor inventory" defined. So the meaning of the section which has aroused the Senator's interest, section 13 (a), cannot be clear without an understanding of just what we mean by "contractor inventory." The term is defined as meaning "any property allocable to the terminated portion of a contract of any type with a Government agency or to a subcontract thereunder."

Mr. VANDENBERG. Let me interrupt the Senator to say that I am familiar with that definition. One of the next questions I wish to ask is why this definition has been so substantially narrowed from the definition contained in the

original language of the bill. It is very substantially narrowed.

Mr. O'MAHONEY. As the Senator from Colorado has stated, in the first place, the purpose of the bill was not in any way to deal with inventories which, in connection with the termination of a contract under an existing act, should be assigned to the contractor. Such inventories are his property. They are not surplus property. They are not affected by this bill. The belief of the committee was that we were dealing solely with such inventories as did not become the property of the contractor, and were only the property of the Government. So the effect of the section is to enable the agency concerned to allow a contractor to continue to use Government property for purposes of the war, and that is the only effect it has. If the contractor should need property on hand when his contract was terminated, it was the supposition that he would acquire the property in the course of the termination of the contract.

Mr. VANDENBERG. Of course, that process would be entirely reasonable and practicable; but it seems to me that the language of section 13 collides with that net result.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. GEORGE. The proviso on page 48, line 20, absolutely prohibits the very thing which the Senator from Wyoming now says was the intention.

Mr. O'MAHONEY. Not if we regard an inventory as such an inventory as is defined in the bill. This provision does not deal with inventories which are the property of the contractor. In other words, what we are dealing with in this bill is solely surplus property belonging to the Government.

Mr. GEORGE. The Senator is mistaken if he thinks that that is what would be accomplished by the bill. This would be the result: There are innumerable textile mills in the South which are doing work exclusively for the Government. They are making a peacetime product, but it is all taken by the Government. It is all Government owned. Under the terms of the bill the textile mill would have to close down its machines, although if it could retain the property of the Government under contract it could continue, without even slowing down operations or throwing anyone out of employment. However, under the terms of this proviso, which I may say in passing was not the situation in the original bill, that would not be possible.

If the Senator will turn to pages 13 and 14 of the original text, which was stricken out, he will see that inventory property could be sold to a contractor or subcontractor, because the contractor's inventory includes both that of the prime contractor and that of the subcontractor. This provision is inconsistent with what we did in the Contract Termination Act, and especially the plant-clearance provisions of that act. It would slow down and retard reconversion. That is especially true when we look at section 21 and see what is to be done with scrap metals and minerals. We would simply slow down the process until the manufacturer



whose contract was canceled could go into the open market and find some other material which he could buy.

VISIT TO THE SENATE OF DR. H. H. KUNG,  
MINISTER OF FINANCE OF CHINA

Mr. HILL. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. VANDENBERG. I yield to the Senator from Alabama.

Mr. HILL. The distinguished Minister of Finance of the Republic of China, Dr. H. H. Kung, is waiting in the Vice President's room to make a visit to the Senate. I ask unanimous consent that the Chair name a committee to escort him to the floor of the Senate, and that then the Senate stand in recess subject to the call of the Chair.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Chair appoints the Senator from Alabama [Mr. HILL], the Senator from Maine [Mr. WHITE], the Senator from Texas [Mr. CONNALLY], and the Senator from Kansas [Mr. CAPPER] as the committee to greet the distinguished visitor and escort him into the Chamber.

Pursuant to the unanimous-consent agreement, the Senate will now stand in recess, subject to the call of the Chair.

The Senate being in recess, at 12 o'clock and 34 minutes p. m., Dr. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance of China, escorted by the committee appointed by the Acting President pro tempore, consisting of Mr. HILL, Mr. WHITE, Mr. CONNALLY, and Mr. CAPPER, preceded by the Secretary, Edwin A. Halsey, and the Sergeant at Arms, Wall Doxey, entered the Chamber and took the place assigned him on the rostrum in front of the Vice President's desk.

The members of the party accompanying Dr. Kung, including Dr. Wei Taoming, Chinese Ambassador, Hoo Chetsai, Vice Minister for Foreign Affairs, and Liu Chieh, Minister of the Chinese Embassy in Washington, entered the Chamber and were escorted to the seats assigned them.

The ACTING PRESIDENT pro tempore. Members of the Senate, I have the honor to present Dr. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance of China.

(Prolonged applause, Senators and occupants of the galleries rising.)

ADDRESS BY DR. KUNG

Dr. KUNG. Mr. President, Members of the Senate, I am grateful for your invitation to address you today. Some time ago you conferred a similar high honor on Madame Chiang Kai-shek. We know this honor is not individual, but an honor to the Chinese Nation. China thanks you.

The United States and China have always maintained cordial relations almost unparalleled in the history of nations. Time and again when China's national interests were in jeopardy the United States came unflinchingly to her side in upholding the great principles by which the independence and integrity of nations are preserved.

In the midst of world chaos our traditional friendship has deepened into even more intimate ties of partnership in the common struggle against the forces of tyranny and violence.

Recently Vice President WALLACE visited China. Now your President is sending on an important mission Major General Hurley and Mr. Donald Nelson. The timely visits of these and other distinguished Americans are significant and indicative of your steadfast friendship.

On this occasion I should like to voice again the sense of indebtedness the Chinese people feel for the assistance you of America—the President, the Congress and the people—have given us in credits, loans, and lend-lease goods which have helped us tide over some of our many difficulties. Two congressional actions also call for special recognition. One is the voluntary relinquishment of your extraterritorial rights in China. The other is the revision of your immigration laws insofar as they affect persons of Chinese nationality. These two actions are further demonstrations of your friendliness and of farsighted statesmanship.

I shall try in a few minutes to tell you of the efforts of the Chinese people in the prosecution of the war, and of China's aims for the peace of tomorrow.

When war broke on China—more than 7 years ago—she took up arms against an enemy she knew to be infinitely better equipped, better prepared. Fighting alone in a world yet to awake to the ways of aggressors, China knew that between slavery and freedom, between living in ignominy and death with honor, there was but one choice. With no small measure of appreciation for the materials she was able to secure at the time from the Soviet Union, Great Britain, and America, China fought on, stubbornly, relentlessly, and regardless of sacrifices. She never believed for one moment that there could be any compromise, where great principles were at stake.

Then in December of 1941 came the infamous attack on Pearl Harbor, followed by the fall of Hong Kong, Malaya, the Netherlands East Indies, Burma, and the Philippines, all in such rapid succession that the entire world was stunned. Nothing seemed capable of checking the onrush of the Japanese war machine. Those were indeed the darkest hours for freedom-loving peoples everywhere, and for the Chinese people in particular, whose strength already had been drained by long years of war, and who were now confronted with a complete blockade and isolation from the friendly world.

It was at this time—and now it can be told—that Japan made repeated offers of peace couched in most tempting terms to induce China to give up what then appeared a hopeless struggle. But we did not falter. We did not give in. We held on, because of the firm belief that right must triumph over might, and justice must prevail. We were more conscious than ever of our responsibility in defending the citadel of freedom in Asia while our allies were locked in mortal combat in other theaters of war. We bogged down a million of Japan's fight-

ing men whom the Japanese war lords would have effectively employed elsewhere. Pause to imagine what could have happened if in the wake of their sweeping conquest of Malaya and Burma the Japanese had been able to withdraw 20 divisions from China to employ against India. Again, what would have been the effect on the course of the war in Europe if Japan had been able to pour a million men across the borders of Siberia at the time when the Nazi hordes were at the gates of Moscow?

Fortunately for mankind, victory is now in sight. While the war in Europe speeds to a victorious end, while we are redoubling our effort in bringing about the swift and utter defeat of Japan, as presaged by the distinguished President of the United States on his recent visits to the Pacific bases, the time has arrived for forward-thinking people to plan for the peace that is dawning. In this great task of peace planning the United States again has shown her farsightedness and leadership. In the past few months, in the midst of your preoccupation with the war effort, you have called together a series of international conferences to plan for the production and distribution of food, for the relief and rehabilitation of devastated countries, for the stabilization of currencies, and for economic reconstruction and development of the world. By these conferences you have shown the way to international cooperation which will bring security and prosperity to all mankind.

Above all, we must organize the peace itself. We must put an end to man's inhumanity to man. If civilization is to survive, we must make impossible the recurrence of war with all its horrors and cruelties. At this very moment, in Washington, a conference is sitting to devise a machinery for world security. On this subject, China and her allies are of like mind. We are prepared to back up a properly constituted world organization with all we have, in the enforcement of peace.

For the Chinese Government and people, I am privileged to say here that in all matters of international cooperation we wholeheartedly support the policies of the United States, which we are convinced are founded on the same ideals of justice and decency which the Chinese people have traditionally cherished.

The question has sometimes been asked as to whether China will emerge from this war a democratic nation capable of collaborating with other democracies, and whether the Chinese National Government commands the support of its people. It would be very rash of me were I to tell you that everything is perfection in China. We, like most other nations, have difficulties and weaknesses. Our difficulties and weaknesses have been accentuated by the strain of 7 long years of war, and by China's total mobilization as a contribution to the common war effort. But I assure you that the Chinese Government is irrevocably committed to a democratic program and that China is on the way toward full development as a modern democracy.



China's national policy is based upon what is commonly known as the three principles of Dr. Sun Yat-sen—the principles of national independence, political democracy, and economic welfare of the people. These principles are similar to the immortal pronouncement of your great President Lincoln, namely, "government of the people, by the people, and for the people." In formulating those principles Dr. Sun was inspired by the teachings of China's philosophers as well as by the political thinkers of the West. Those principles embody the ideals and aspirations of all freedom-loving peoples everywhere. It is because the Chinese people are convinced that the National Government is capable of, and definitely committed to, carrying out the democratic program as laid down by Dr. Sun that they have stood solidly behind it and its leader, Generalissimo Chiang Kai-shek, during nearly two decades of national revolution and war against aggression.

Even in the midst of war, when there exists an inevitable tendency to concentrate power in the Central Government, we have introduced and carried out a number of measures with a view to preparing the people for representative government. I refer to the People's Political Council, which is sometimes described as a wartime parliament; the new district system, which promotes local self-government; and the resolution of the Central Executive Committee of the Kuomintang, a national congress, to convene within 1 year after the conclusion of the war, to adopt a permanent constitution and to put into effect a national system of representative government.

Ultimately our hope is for world freedom and security. China has a long democratic tradition, and tradition is strong in our people. If there is any contribution which the Chinese people can make to the world it is our emphasis on the spiritual and moral as well as the political and social foundations of democracy.

The Confucian concept of a great commonwealth was adopted by Dr. Sun Yat-sen who enjoined his people not only to build a republic, but also to strive toward the realization of a world commonwealth in which all nations, great and small, shall live in peace and equality and all peoples shall be protected in their inalienable rights and be assured the enjoyment of the fruits of their labor. The United Nations have now a unique opportunity to work together toward that ideal. They may well learn from the great American experiment in which 48 States, enjoying their own rights but organized as a Union, have in a comparatively short period of time achieved the greatest measure of unity and prosperity. Peace and democracy can only be realized, as our sages taught us long ago, when the big have learned to serve the small, the strong the weak. In the words of Christ, "Whosoever will be great among you let him be your minister; and whosoever will be chief among you let him be your servant."

(Prolonged applause; Senators and occupants of the galleries rising.)

Following his address Dr. Kung and the distinguished visitors accompanying him were escorted from the Chamber.

At 12 o'clock and 58 minutes p. m., the Senate reassembled; when it was called to order by the Acting President pro tempore.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Michigan [Mr. VANDENBERG] has the floor.

Mr. VANDENBERG. I yield to the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. The language which the Senator from Michigan has suggested to be inserted at the end of line 22 on page 48 of the bill is entirely acceptable. The bill itself contemplates the very thing which the amendment would imply. The bill would not permit the owning agency to dispose of property. It would immediately become surplus and automatically go to the board. However, the proposed amendment is in complete harmony with the purposes of the bill, and it may as well be spelled out in the manner which the Senator from Michigan has suggested.

Mr. VANDENBERG. Mr. President, in view of the Senator's statement, while I am not at all sure that the amendment is adequate to reach the point which I am attempting to make, I am sure that it will put the subject into conference in such a manner that it may be further pursued if it is desired to do so. While we are on the subject, even though there is an amendment pending, if there is no controversy about the language which I have suggested, I ask unanimous consent that at the end of line 22 on page 48 of the bill, after the word "purpose" there be added the words "except under policies established by the board."

The ACTING PRESIDENT pro tempore. The Senator from Michigan asks unanimous consent to offer the amendment at this time. Is there objection?

Mr. O'MAHONEY. Mr. President, before consent is granted, in order to complete the RECORD and in response to the inquiry which was made by the Senator from Georgia just before we went into recess to greet the distinguished Chinese visitor, I should like to say that the definition of "contractor inventory" which is adopted in this bill is precisely the definition of termination inventory which was written into the so-called George bill on contract termination; and it was the feeling of the committee that we were doing precisely what the Senator from Georgia desired. I see no objection, however, to granting the unanimous-consent request of the Senator from Michigan.

Mr. GEORGE. Mr. President, I have no objection, of course, to granting the request of the Senator from Michigan, but I should like to have the further condition attached to it that the matter

be left open until the proponents of the bill may give some consideration to a suggested amendment by the War Department which very clearly points out the necessity for and probably widening the definition of "contractor inventory." I am willing to have it acted upon with the understanding that we will examine the suggested changes which are intended to effectuate the same purpose as that in the mind of the Senator from Michigan.

Mr. JOHNSON of Colorado. Mr. President, I am sure there will be no desire on the part of any member of the committee not to leave the matter open. However, we are very anxious not to leave an open door through which perhaps two or three or five million dollars' worth of goods may be placed on the market without any control—dumped or sold or dealt with by private individuals—and depriving the board absolutely of any control over those inventories even though they constitute a surplus. We still want to retain control of them. The amendment offered by the Senator from Michigan does just that. So it is in complete harmony with the bill. I do not know what amendment the War Department may offer later, but if their amendment should open the door and allow the War Department to dispose of goods without any restraint on the part of the surplus property control, of course that would be entirely another matter.

Mr. VANDENBERG. As I understand, the Senator from Georgia at the moment, while consenting to this amendment, is simply suggesting that the subject may be reopened for further discussion and further correction if the Senate disagrees later.

Mr. JOHNSON of Colorado. That is agreeable, of course.

Mr. GEORGE. That is all I had in mind.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Michigan? The Chair hears none and the question is on agreeing to the amendment offered by the Senator from Michigan to the committee amendment.

The amendment to the amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question now is on agreeing to the amendment proposed to the committee amendment by the Senator from Tennessee [Mr. MCKELLAR], on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. MCFARLAND], inserting on page 52, after line 25, a new subsection.

Mr. LA FOLLETTE. Mr. President, I note the temporary absence of the senior Senator from Tennessee [Mr. MCKELLAR], who has just stepped off the floor. If there is to be action on this amendment at this time, I hope he can be present, because I have a modification of his amendment to suggest which he advised me privately is acceptable to him, but, of course, I am not in a position to modify his amendment unless he is present on the floor. The language which I have discussed with the Senator from Tennessee and one of the other au-



thors of the amendment is after the word "Corporation" and the comma in line 4 of the printed text of the committee amendment, to insert the words "or at less than current prevailing market prices, whichever may be the higher."

The purpose of this amendment is to give protection to those agricultural commodities which at the present time have a price exceeding parity. Under the language of the amendment offered by the Senator from Tennessee as it stands all commodities which are at parity or below could not be sold in the domestic market at prices less than parity, but there are certain commodities which, while covered by the so-called Steagall amendment assuring a support price of 90 percent of parity, after the war will have no protection for their present price structure under the language of the amendment as offered by the Senator from Tennessee and other Senators. For example, milk and milk products are about 140 percent of parity, and if the amendment I have suggested is not inserted, under existing law those products could be sold at 90 percent of parity, which would mean a price drop so far as these surplus commodities are concerned of 50 percent. Any Senator familiar with the present situation so far as the dairy industry is concerned will appreciate that that would mean utter demoralization of the price structure of dairy products and would mean ruination of those who are concerned in their production.

I have discussed the matter with the very able Senator from Tennessee, who has now appeared on the floor, and it was my understanding that he was willing, with the consent of the other authors of the amendment, to accept my amendment as a modification of his amendment.

Mr. McKELLAR. Mr. President.

Mr. LA FOLLETTE. I yield to the Senator from Tennessee.

Mr. McKELLAR. I have no objection to the modification, and, if the Senator will permit, I will at this point ask unanimous consent that the modification may be made.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Tennessee will be modified in line with the suggestion of the Senator from Wisconsin.

Mr. McKELLAR. Mr. President, will the Senator yield to me further?

Mr. LA FOLLETTE. I am glad to yield.

Mr. McKELLAR. The Senator from Alabama [Mr. BANKHEAD] has asked that the word "only" be inserted after the word "act" in line 5 of the amendment and also after the word "export" in line 7. I ask unanimous consent that the amendment be so modified.

The ACTING PRESIDENT pro tempore. The amendment will be modified as requested by the Senator from Tennessee. The question is on agreeing to the amendment as modified.

Mr. BURTON. Mr. President, I ask that the clerk state the modification requested by the Senator from Wisconsin, which was not read from the desk.

Mr. ELLENDER. I suggest that the amendment be read as modified.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment as modified.

The CHIEF CLERK. On page 52, after line 25, it is proposed to insert the following:

Surplus farm commodities shall not be sold in the United States under this act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash, for export only at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law.

The ACTING PRESIDENT pro tempore. The question recurs upon agreeing to the amendment as modified.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Wisconsin if he would give me the benefit of his judgment on this amendment as modified as to its effect upon the possible use of the stamp plan to dispose of surplus commodities to needy people.

Mr. LA FOLLETTE. The effect of the amendment as modified would be to prohibit the sale of surplus commodities of an agricultural character at less than parity or at less than prevailing market prices, whichever were the higher, so far as such sales in the United States are concerned. There is now no provision of law, as the Senator knows, for the distribution of commodities under any stamp plan, and, if Congress were ever to adopt such a plan it would have to take into consideration the law, if this amendment becomes a part of the existing law; but the amendment would have no effect on the situation at this time because there is no such program.

Mr. JOHNSON of Colorado. Mr. President, the original McKellar amendment is not in conflict at all with the purposes of the committee amendment to Senate bill 2065; that is, we gave the War Food Administration a veto power. We understood, of course, that the Commodity Credit Corporation was working more or less with the Food Administrator, and that was our reason for giving the War Food Administrator a veto power, so that the prices of supplies of food which might be offered for sale could be harmonized with the prices of food as established by the Commodity Credit Corporation.

The McKellar amendment represents only a different approach to the same problem. I do not see how we can have any objection to that. However, the La Follette amendment is in a little different category, because I proposed and sponsored that amendment in committee, and the committee did not agree with me, and it was rejected. While I am personally in favor of the La Follette amendment, the committee is not in favor of it. I suppose the matter can be settled by a vote taken on the Senate floor.

Mr. LA FOLLETTE. Mr. President, I wish to make a further brief statement.

I cannot believe that the committee would be opposed to giving the same protection to commodities not covered by the amendment as originally drawn as it is now proposed to give to all other agricultural commodities. It is simply an attempt on the part of the Senate and the authors of this amendment to assure such a situation as that there shall not be a wrecking of the existing price structure by the sale of commodities at below the market price.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. EASTLAND. As I understand, the purpose of the modification proposed by the Senator from Wisconsin is to protect the domestic price structure for dairy products, is it not?

Mr. LA FOLLETTE. And for all the other products covered in the so-called Steagall amendment which would not be protected under the original draft of the amendment offered by the Senator.

Mr. EASTLAND. Dairy products would be one of the large beneficiaries?

Mr. LA FOLLETTE. That is correct.

Mr. EASTLAND. I have no objection to the modification of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. McKELLAR], as modified, to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WAGNER. Mr. President, I offer an amendment which I sent to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 37, after line 16, it is proposed to insert the following:

(h) To devise ways and means and prescribe appropriate regulations and directives to prevent any discrimination against any person in the disposal and distribution and use of any Government property covered by this act on account of race, creed, or color.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York [Mr. WAGNER], to the committee amendment.

The amendment to the amendment was agreed to.

VISIT TO THE SENATE BY COL. PHILIP G. COCHRAN AND COL. JOHN ALISON

Mr. CHANDLER. Mr. President, I wish to attract the attention of the Members of the Senate to two young men who are the guests of the Senate and who are seated in the front row of the Senators' family gallery, Col. Philip G. Cochran, known to the people of America as "Flip" Cochran, of Erie, Pa., and Col. John Alison, of Gainesville, Fla. These two fine young Americans are members of the Army Air Corps, and have been for some time past fighting in the jungles of Burma under Brigadier General Wingate's command and with Merrill's Marauders. I know the Members of the Senate would like to greet these young men, because they have won almost every decoration which a grateful Government



has to give to its heroic young fighting sons.

Mr. President, I shall ask Colonel Cochran and Colonel Alison to stand so the Members of the Senate may see them and greet them on this occasion.

Colonel Cochran and Colonel Alison rose in their places in the gallery, and the Members of the Senate stood and applauded.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065), to establish a surplus war property administration; to provide for the proper disposal of surplus war property; and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 61, at the end of line 5, it is proposed to strike out the period, insert a colon, and add the following: "Provided further, That the Secretary of the Interior is hereby authorized and directed to sell the tract of land of approximately 532.4 acres, in Cleveland County, Okla., commonly known as Moore Field, and more particularly described in, and acquired through, a declaration of taking executed by the Under Secretary of the Navy and filed in the United States District Court for the Western District of Oklahoma, and judgment entered thereon, in the proceedings in such court entitled 'United States of America, petitioner, against 532.4 acres of land, more or less, in Cleveland County, Okla., and Mrs. J. R. Holliday, and others, defendants, No. 1120—Civil,' and to execute and deliver a deed, or deeds, to the person, or persons, or their heirs or assigns, from whom the original holdings were acquired: *Provided further*, That the sale price for such land shall be a sum sufficient to cover the original purchase price and any sums expended by the Navy Department upon such land or arising out of the use and occupancy thereof by the Navy Department: *Provided further*, That the said Secretary is hereby authorized to make rules and regulations necessary to carry into effect the provisions of this section."

Mr. THOMAS of Oklahoma. Mr. President, this amendment has been before the Senate on a former occasion, and has been acted upon favorably by the Senate. In connection with an annual appropriation bill a hearing was held, the amendment was presented and accepted by the committee, and thereafter presented to the Senate and accepted by the Senate. When the bill went to conference the House conferees objected to the amendment, because it was legislation on an appropriation bill. The House conferees had no objection to the text of the amendment or its effect, but they said they were prevented from accepting an amendment of a legislative character on an appropriation bill.

The regular Senate Committee on Naval Affairs has likewise held hearings on this subject and the House Committee on Naval Affairs has held hearings on the same proposition. The facts are as

follows: In Cleveland County, Okla., the Navy Department has a large naval base for training purposes. Around the main field it has a number of secondary or auxiliary fields. The land embraced in this amendment was selected by the Navy Department as an auxiliary field for flying purposes. The land was condemned, taken from the farm owners, and was improved to some extent. The land was leveled off on the surface and a large amount of gravel was placed on the land to make it suitable for use in wet weather. About the time that the field was ready for occupancy an oil well was drilled in a short distance from the land, oil was found, and immediately the land became of great value for oil purposes. The adjacent lands were leased and a number of derricks were erected for drilling purposes.

When the Navy saw that the land in question was to be surrounded by oil derricks and oil fields, the Department realized that it would not be a proper place for the training of Navy flyers, so the Department abandoned the field and said it had no further use for the land. Under those conditions the Secretary of the Navy sent a letter to the House Naval Affairs Committee recommending that the land be turned back to the former owners.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter from the late Secretary of the Navy, Frank Knox, to the gentleman from Georgia, Representative VINSON, chairman of the House Committee on Naval Affairs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,  
Washington, D. C., November 13, 1943.  
Hon. CARL VINSON,  
Chairman, Committee on Naval Affairs,  
House of Representatives,  
Washington, D. C.

MY DEAR CARL: I wish you would present the matter discussed in this letter to your full committee for their consideration, and when I get back from New River, I will come up and discuss it with the committee if you desire.

As I told the committee the other day, we purchased a tract of 532 acres of land near Moore, Okla., for which we paid a total of \$46,431.60. This was designed for an auxiliary airfield, and we started at once the work of putting the field in condition for such use, spending to date about \$150,000. All of the land was taken by process of condemnation. Subsequent to our purchase of the land, a very big oil well was opened up within a half mile of our land and there are indications that a considerable field of oil exists in this area.

Immediately we were offered, by one of the oil companies, \$250,000 in cash plus a royalty of one-sixteenth which the oil company estimated would give us \$500,000 more. Of course, instead of accepting the first offer made, I immediately dispatched an expert to the scene to get some accurate information on which I could depend.

I have been thinking about this since, and I am wondering if it is fair and equitable for the Government to exercise its power to condemn and thus become possessed of certain land, which otherwise would have remained in the hands of the private owners, and then take advantage of a discovery of oil in adjoining territory and profit by the transac-

tion. These people did not want to sell their lands. We made them sell. If they had not sold they would themselves have benefited by the discovery of oil beneath the surface. Query: Should the Government, under these circumstances, proceed to take a big profit through the sale of the lands—a profit that otherwise would go to the owners whose title we had compelled them to yield to us?

The Government is not in the oil-speculation business. The lands were bought for an airfield and not for speculative purposes. The use of the land for an airfield is no longer possible because it will be surrounded by oil derricks. Under these circumstances would it not be equitable and just to return the land to the people whom we dispossessed, providing that they recoup the Government by repaying the money we paid for the land plus the money we have expended in improvements which now must be abandoned?

Here is an ethical question on which I would like to have the judgment of the committee. When I get back I should like to discuss it with you.

Yours sincerely,

FRANK KNOX.

Mr. THOMAS of Oklahoma. Mr. President, the Secretary of the Navy in the letter said that the fair thing to do was to let this land go back to the former owners. He made a condition, however, that these farmers should pay back to the Government all the money they had received, plus all the money the Navy had expended in improving the land. The land had oil value at that time. The three farmers, the former owners of the land, agreed that they would do so, and they obviously had reason for making the proposition. No doubt they have understandings with oil companies that in the event the land is turned back they can lease it and secure money from the oil companies to make the payment to the Government. The Navy has expended there about \$110,000, so I am advised. The original purchase price was about \$46,000. I may not be quite accurate as to exact figures, but approximately \$150,000 has been spent by the Government in acquiring and improving this land. Now the Government has abandoned it. If the land has no oil value, its agricultural value has been destroyed very largely because of the gravel runways. The land could not, in all probability, be sold either at private or public sale for agricultural purposes for the amount the Navy paid for it. At this time, however, the land has a speculative value by reason of oil having been discovered nearby. If the Senate will adopt my amendment, and if the House will accept the amendment and the matter can soon be settled, the Government will be paid back all the money it spent in the first instance for the land, plus all the money it has expended in the way of improvements, which would be a total of about \$150,000.

After receiving Secretary Knox's letter the chairman of the House committee [Mr. VINSON] introduced a bill in the House. Hearings were held on the bill. At the same time the chairman of the Senate Naval Affairs Committee, the Senator from Massachusetts [Mr. WALSH] introduced a similar bill in this body, and hearings have been held on the bill in the Senate committee. Later on Mr. MONRONEY, Representative from



the district in Oklahoma in which this land is located, introduced a second bill in the House. Hearings were held on that bill, and the House committee reported the bill favorably, and the bill is now on the House Calendar, but by reason of the summer adjournment of Congress, and because bills of greater importance having to do with the prosecution of the war and in connection with the war, have been pending before Congress, the House has not had time to act finally upon the House resolution.

As I said a moment ago, the Senate has heretofore passed upon the matter in the form of an amendment to the naval appropriation bill, which had to be yielded when the House conferees held that they could not accept a legislative rider on an appropriation bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. I am very sympathetic toward the amendment proposed by the Senator from Oklahoma. As a member of the Naval Affairs Committee I had occasion to hear the evidence in respect to this amendment. However, I wish to invite the attention of the Senator to certain language in the pending measure.

Section 4 (a) reads as follows:

SEC. 4. (a) Notwithstanding the provisions of any other law but subject to the provisions of this act, the board and any disposal agency designated by it under subsection (c) of section 3 of this act are authorized to dispose of surplus property.

Section 4 (b) provides as follows:

(b) Notwithstanding the provisions of any other law but subject to the provisions of this act, the board may dispose of property under this act by sale, exchange, lease, transfer, or other disposition for cash, credit, other property or otherwise, with or without warranty, and upon such other terms and conditions as it deems proper.

On page 61, beginning with line 6, we find the following language:

(2) In the event that land which was employed in farming operations when acquired by the Government but which is no longer classified as agricultural land, is transferred to the Secretary of the Interior under this act, the former owner of such land and his lineal heirs may be offered similar agricultural land in the same area, if such land is available.

Is not that language sufficiently broad to cover completely the situation which the Senator is now discussing?

Mr. THOMAS of Oklahoma. My answer is "Yes," Mr. President; but if we wait until this case is reached in regular order, it may be that this land will have no value whatever for oil purposes.

I wish to show the Senate a rough map of this particular territory, and the section of land which is involved. This chart shows section 28. It shows that portion of section 28 which is involved in the amendment. It is the portion shown in dark shading. As I have stated, oil wells have been drilled around this land. An oil well was drilled 200 feet south of this land, and that well is dry. It is 7,000 or 8,000 feet deep, and there is no oil there. The first well that was drilled was at the point indicated by the star. It is a producing well. West of that is an-

other producing well, and somewhat south of that well is still another producing well. South of those three wells are two dry holes. Two wells are being drilled. A well is being drilled very close to this so-called airfield. It is now down between four and five thousand feet. If that well should prove to be dry, then the oil value of this land might be nil.

Another well is being drilled at the point I am now indicating. If that well should come in dry, the oil value of the land would be very little, and the proven oil territory would be confined to the territory shown by the stars, and to land still farther west.

The reason for this amendment is to have this question settled at a time when the former owners of the land can realize something from the land. Its value for farming has been very largely destroyed, because in certain places the land is covered with gravel. The gravel would have to be removed. At the places where the gravel is located the land would be of no use for farming purposes. If this matter could be settled before the wells are completely drilled, the former owners could be assured of getting something out of the land, which they would have done if the Navy had not stepped in and condemned the land originally.

There is another reason for the amendment, and that is that these three tracts of land are now in litigation. One tract belonged to a Mr. Taylor. The tract consisted of some 105 acres. The land was taken from him by condemnation. He was paid \$10,000 for the 105 acres. I understand that he had been previously offered \$25,000 for the farm and refused to accept the offer. When the Government condemned the land and paid him \$10,000, he was not satisfied, so he took an appeal. That case is now pending on appeal in the Circuit Court for the Tenth District.

Another case, known as the Holliday case, is in the following condition: Dr. Holliday died since the land was taken. He left a wife and one daughter, and the daughter has a little girl. He left a will, providing for two trustees, Mrs. Holliday and a Mr. E. V. Dennis. When the Navy Department saw fit to take this land, it served notice on Mrs. Holliday and "unknown heirs," but did not serve notice on the other trustee, E. V. Dennis, so the Holliday case is in court, and will have to be adjusted.

The third case is known as the Hummel case, involving the Hummel tract of land. Mr. Hummel is dead. He died intestate and left nine brothers and sisters. Proper service was not had on the heirs, so that case is likewise in litigation.

If this amendment can be agreed to, and if the money can be returned to the Treasury to the extent of \$150,000, the three cases now in litigation will be adjusted. In addition, there would be recouped for the Treasury probably \$125,000 more than it might receive if the wells should come in dry.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. Under the provisions of the bill as drafted, surplus real estate may be sold by the Administrator

without warranty. I notice that the amendment of the Senator does not have that provision. Would he object to a modification of his amendment permitting the Administrator to sell the land without warranty?

Mr. THOMAS of Oklahoma. I shall be very glad to accept such a modification. All we want is a quit-claim from the Government. I shall be very glad to accept the amendment if it can be properly stated. I suggest that the Senator put it in writing.

In the meantime, I yield to the Senator from North Dakota [Mr. LANGER].

Mr. LANGER. Mr. President, as I understand the situation, stripped of all surplusage, it is this: The Navy took a piece of land from some farmers. Now the Navy does not need the land and wishes to turn it back to the farmers, the former owners paying the same price which the Navy paid, plus whatever may have been expended on the land.

Mr. THOMAS of Oklahoma. That is correct. Since the Navy decided not to use the land, it turned it over to William L. Clayton, Surplus War Property Administrator. Mr. Clayton proposed to advertise this tract for sale. I took the matter up with him and told him of the litigation, and left with him such data and information as I had. No doubt he conferred with his attorneys. As a result of that conference, Mr. Clayton has decided not to try to sell this land until the Congress has an opportunity to legislate with respect to it.

Mr. President I send to the desk a letter from Mr. Clayton and ask that it be read.

The ACTING PRESIDENT pro tempore. Without objection, the letter will be read.

The Chief Clerk read as follows:

OFFICE OF WAR MOBILIZATION,  
SURPLUS WAR PROPERTY ADMINISTRATION,  
Washington, D. C., August 12, 1944.  
HON. ELMER THOMAS,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR THOMAS: In view of the probability of early legislation on the disposal of surplus property, I am pleased to advise you that we have decided to temporarily postpone the sale of the Moore Airfield.

Sincerely yours,

W. L. CLAYTON,  
Administrator.

Mr. THOMAS of Oklahoma. Mr. President, those are some of the reasons for offering this amendment at this place in the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. As the Senator from Louisiana [Mr. ELLENDER] has pointed out, the bill provides in a general way for the very thing which the Senator from Oklahoma is asking—that is, that land be returned to the original owner when it is no longer needed by the Government. So there is no lack of harmony between the objectives of the bill and the proposal made by the Senator from Oklahoma, except that he is making a specific case, and our bill deals with general conditions. While it is generally not good legislative practice to deal with specific cases in a bill, the committee has



no objection to taking to conference the amendment of the Senator from Oklahoma, as perfected by him, to see what we can do with it.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. I propose the following modification of the Senator's amendment: In line 4, after the word "sell", insert the words "without warranty."

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma accept the proposed modification?

Mr. THOMAS of Oklahoma. I accept the modification.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma to the committee amendment on page 61, at the end of line 5.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. Will the Senator state whether, in his opinion, the United States Government would receive more or less money for this property if this amendment were adopted?

Mr. THOMAS of Oklahoma. That would depend upon whether or not the wells being drilled should come in dry, or become producing oil wells. If the adjacent wells should become producing wells to a substantial extent, the Government could hold the property and sell it hereafter, receiving more money for it than it would receive from a sale to the former owners. However, if those wells should come in dry, the Government would have the land on its hands. The value of the lands for farming purposes has been largely destroyed, because some of the land has been leveled off, and the good topsoil has been deposited in the low places. In other places gravel has been placed on the land to a depth of several inches, which destroys the value of the land for farming purposes.

I admit that it is largely a speculative proposition, but if the Navy had not taken the land, the farmers would still own it today, and they would have all the benefits which now exist. The Government not having used the land for airfield purposes, it is my opinion that a policy or precedent should be established by returning the properties to the original owners on a fair basis.

The former owners are willing to pay back all the money which they received, plus whatever the Navy has expended on the land. It seems to me that that is a fair proposal.

Mr. BURTON. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. Can the Senator state whether the abandonment of this field as an airfield was due to the fact that it was not useful as an airfield; or whether it was due to the fact that so much oil was discovered around the land that it could no longer be used as an airfield?

Mr. THOMAS of Oklahoma. It never was used as an airfield. About the time

the Navy Department was ready to use this land oil was discovered, new locations were made, and additional derricks were constructed. To have used the field the Navy would have had to send its trainees to this field, weaving in and out among those oil derricks. Of course, that would not have been proper; and, because it was not proper, the Navy—wisely, in my judgment—decided not to use the field. So far as I know, no plane has ever landed on this field.

Mr. BURTON. That is what I wished to have made clear. As I understand, although the Government acquired this land for use as an airfield, it has never been so used. The reason it was abandoned was not that it was not a sound acquisition in the first place, but that oil was discovered around the land, which made it impracticable to use it because of the derricks and other structures erected around it.

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. BURTON. Under those circumstances it became necessary for the Government, as a practical matter, to abandon its use as an airfield; but its value rose tremendously in the minds of the people of the vicinity, including the former owners, because of the presence of oil and the gamble of which the Senator speaks. Under the circumstances, the Government, being forced to sell it, must give up the profit which would result if oil were discovered on the land.

Mr. THOMAS of Oklahoma. It is obvious that if the Government should decide at this time to offer this land for sale, it could obtain more for it than it spent on the land. But all the Government has is possession. It has not as yet adjusted the price with the former owners. When Mr. Taylor received the check for \$10,000, he was not satisfied. He took an appeal. He has never cashed his check. He has it now. I have not seen him this afternoon; I think he is in the gallery.

He could not fight the Government. His only recourse was to come to Washington and present the matter to such Senators and Members of the House of Representatives as he could see, as he has a right to do. He is an elderly farmer. He is here with his wife. Of course, they wish to get back the property. If they had it they could profit from it to the extent of what some oil company would give them for a lease. I am frank to say that if the Government desires now to speculate at the expense of these farmers, it can do so. But I do not think it should do so.

That is the purpose of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, offered by the Senator from Oklahoma to the committee amendment.

The amendment, as modified, to the committee amendment was agreed to.

Mr. DANAHER. Mr. President, on page 39 of the bill appears the very important section dealing with reports and planning. It is provided that—

The board shall submit to the Senate and House of Representatives a quarterly progress

report on the exercise of its authority and discretion under this act. Such reports shall contain—

Among other things—

(i) A statement of the status of surplus property disposition.

(ii) A statement of the kind, amount, and value of all considerations received by any disposal agency in exchange for property disposed of under this act.

(iii) Such recommendations for legislation as the Board may deem necessary or desirable.

Having in mind the reconversion features of the bill and the rehabilitation program on an industry-wide and on a Nation-wide basis, it seems to me that it would be the better part of wisdom for us to amend the third subdivision appearing on page 39, in lines 19 and 20, by adding, after the word "desirable", the following: "especially with regard to the needs of industrially underdeveloped areas."

Thus, the Board would be called upon to report to the Congress its recommendations, in the light of its experience, for legislation "as the Board may deem necessary or desirable especially with regard to the needs of industrially underdeveloped areas."

Therefore, Mr. President, I move to amend in line 20 on page 39, by inserting, after the word "desirable", the words "especially with regard to the needs of industrially underdeveloped areas."

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The question is on agreeing to the amendment of the Senator from Connecticut to the committee amendment.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield.

Mr. JOHNSON of Colorado. Yesterday the Senator from Michigan objected to having that language appear at another part of the bill. I wonder if the Senator from Connecticut has discussed the matter with the Senator from Michigan.

Mr. DANAHER. No, Mr. President; this is the place in the bill where the words should appear, because this is where congressional action will be called for. We are the ones who should decide as to policy. We are the ones—not a board of eight, downtown—who should make the decisions regarding this program.

It is for that purpose that I have moved the adoption of the amendment to the committee amendment, to the end that the Board shall report to Congress what it recommends should be done in the light of all the facts. Then, with all the facts before us, we would be the policy makers.

Mr. JOHNSON of Colorado. Mr. President, if the Senator will further yield, let me inquire whether it is his purpose to transfer the language found in this section to another section of the bill.

Mr. DANAHER. That is correct.

Mr. JOHNSON of Colorado. I am sure there would be no objection to doing that. I understand that is very much in line with what the Senator from Michigan would do.



Mr. DANAHER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, in order to accomplish the complete purpose in line with the amendment just agreed to, I now call attention to the language on page 31, where we find in line 10, and running through line 15, the following in the statement of the objectives which the board will be called upon to achieve:

(c) In the disposition of plant, equipment, and materials for use in further production—

(1) to promote maximum production and employment of the manpower, the natural and agricultural resources of all sections of the country, with due regard to the needs of industrially underdeveloped areas.

I move to strike out from lines 14 and 15 the words "with due regard to the needs of industrially underdeveloped areas."

Mr. JOHNSON of Colorado. Mr. President, am I to understand that the amendment offered on page 39 by the Senator from Connecticut has been agreed to?

Mr. DANAHER. Yes; it has been adopted.

Mr. JOHNSON of Colorado. Then there is no objection to agreeing to the Senator's motion to strike out the language referred to on page 31.

The PRESIDING OFFICER. The amendment to the committee amendment will be read, for the information of the Senate.

The CHIEF CLERK. In the committee amendment, on page 31, line 13, it is proposed to strike out the comma and insert the word "and"; and in lines 14 and 15, to strike out the words "with due regard to the needs of industrially underdeveloped areas."

Mr. DANAHER. That covers the matter, Mr. President. Let me say to the reading clerk that the remaining language found in the amendment as written has already been acted upon.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, in order that the RECORD may show clearly all the action which has just been taken by the adoption of the last amendment, let me point out that, by the amendment, in line 13, in order that the thought may be complete, inasmuch as we have deleted the language in the concluding phrase, the word "and" has been inserted after the word "manpower," so that the language now reads:

To promote maximum production and employment of the manpower and the natural and agricultural resources of all sections of the country.

Mr. President, I thank the Senator from Colorado for his courtesy.

Mr. BANKHEAD. Mr. President, when the bill extending the Stabilization Act was pending, the committee fixed the loan price of cotton at 95 percent of

parity. Later the Senate approved that rate. The bill, as passed by the Senate, went to conference. As a result of discussion in the conference, the rate was finally approved at 92½ percent of parity.

At the present time there is an emergency situation due to the unexpectedly large crop of cotton and the low prices being paid for it.

So I am presenting an amendment which has been approved as a bill by the Committee on Banking and Currency. I have talked to the sponsors of the pending bill, and they have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated, for the information of the Senate.

The CHIEF CLERK. At the proper place in the committee amendment, it is proposed to insert:

That section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out "at the rate in the case of cotton of 92½ percent" and inserting in lieu thereof "at the rate in the case of cotton of 95 percent."

Sec. 2. The amendment made by this act shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this act had been in effect at the time the loans were made.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. Is that amendment special legislation for cotton?

Mr. BANKHEAD. It would increase the loan rate which was provided for in an earlier bill, which, as I said, was unanimously passed by the Senate.

Mr. LANGER. Then the amendment is special legislation for cotton; is it not?

Mr. BANKHEAD. If the Senator wishes to call it that, of course he may do so.

Mr. LANGER. Why should not the rate for other commodities be increased?

Mr. BANKHEAD. I have no objection. But we are told that it is not desired to include feed at a higher rate.

We have a big crop of cotton, and the price is going down every day. It has gone down 8 points in the last week or 10 days.

The amendment provides financing facilities for cotton. If other Senators wish to include other commodities, of course they can bring them in by way of legislation. But, in view of the fact that the cotton is now being marketed and that there is an emergency in that connection because of the low price, everyone concerned is favorable to the amendment. I hope the Senator from North Dakota will agree to its adoption. If it is not included now, it will not be included at all.

Mr. LANGER. Why not include wheat?

Mr. BANKHEAD. Because wheat is a feed.

Mr. LANGER. Wheat is not a feed. What is the objection to including wheat?

Mr. BANKHEAD. I do not say there is any objection to doing so; but I know that neither the price of wheat nor the price of any of the feed commodities was previously put as high as the price of cotton, because the representatives of the Administration and others did not wish to do so. That is the only reason I know of.

Mr. LANGER. Let me ask the Senator just what his amendment provides.

Mr. BANKHEAD. It would increase the parity price of cotton from 92½ percent to 95 percent. Cotton is now being marketed.

I hope the Senator will take any action he desires regarding wheat separately, not in connection with my amendment. I do not wish to have this amendment pertaining to cotton complicated by the addition of provisions relating to other agricultural commodities. The cotton farmers are making sacrifices every day. I hope the Senator will agree to the amendment in its present form. I will cooperate with him in regard to wheat.

Mr. JOHNSON of Colorado. Does the Senator believe that the subject matter contained in his proposed amendment has any reference whatsoever to surplus property?

Mr. BANKHEAD. No; not directly. There is a very large accumulation of surplus cotton within the Commodity Credit Corporation. The accumulation is subject to withdrawals by farmers. There are approximately two and a half million bales in the category to which I have referred. The emergency is so great that I believe we are justified in allowing the amendment to go to conference.

Mr. JOHNSON of Colorado. Does the Senator believe that his amendment would affect the value of the vast stores of surplus cotton which are now held by the Commodity Credit Corporation?

Mr. BANKHEAD. No; I do not believe that the amendment would have that effect. I think it would affect the value of this year's crop.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. BANKHEAD] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, for myself, the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. McFARLAND], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 74, line 16, in the committee amendment, it is proposed to strike out "A" and insert "(a) Except as provided in subsection '(b)' of this section."

On page 74, between lines 24 and 25, it is proposed to insert a new subsection, as follows:



(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferees of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus property by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the board determines in accordance with this subsection to be excessive. In determining whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the board from time to time as adopted.

(3) In any case in which, in the opinion of the board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. I am very much in sympathy with the objectives of the Senator from Tennessee. I am somewhat dubious as to how the proposed amendment would operate in practice, but I shall be glad to take it to conference and see if we cannot find a place for it in the bill. It goes somewhat beyond the scope of the bill as originally conceived. When we reach transactions of the first, second, third, and fourth degree we go far beyond the scope of the bill. The purposes of the amendment are admirable. The amendment is designed to keep down speculation by preventing buyers of articles at low prices from reselling them at ridiculously high prices. So the committee is entirely in sympathy with the objectives of the amendment.

Mr. McKELLAR. Mr. President, I thank the Senator from Colorado. The amendment was discussed at some length

a day or two ago, and I thought it was generally accepted.

The Senator from Colorado has stated that he does not know what effect the amendment would have. If he will telephone to one of the departments down town he will find that a similar law enacted 2 or 3 years ago saved the Government very large sums of money.

Mr. JOHNSON of Colorado. Mr. President, will the Senator further yield to me?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. I agree with the Senator from Tennessee that the renegotiation law has saved the Treasury vast sums of money. There can be no question about that; but the renegotiation law dealt with prime dealers who were transacting business with the Government. It did not reach second-degree dealers.

Mr. McKELLAR. Yes; it reached them all, and the proposed amendment is designed to reach them all.

Mr. President, with the explanation which has been made, I ask that the amendment be agreed to.

Mr. LANGER. Mr. President, if the Senator will yield, I am very anxious to obtain an interpretation from him of the amendment. If a group of farmers, for example, wished to buy a jeep—

Mr. McKELLAR. A what?

Mr. LANGER. A jeep.

Mr. McKELLAR. Yes.

Mr. LANGER. After the war there will be hundreds of thousands of them and many farmers will want to buy them. Possibly some rural mail carrier will want to buy one. Will the Senator from Tennessee explain the procedure which it will be necessary to follow in order to obtain a jeep, and how many profits the buyer will have to pay?

Mr. McKELLAR. There would be no involved procedure, and no profits. If a person obtained a jeep for 15 cents, for example, and then undertook to resell it at a much higher price, he would be brought to account under this amendment. But so long as he was honest about the transaction, paid a reasonable price for the jeep, and used it in his work, he would not have the slightest difficulty.

Mr. TYDINGS. Mr. President, will Senator yield?

Mr. McKELLAR. I yield.

Mr. TYDINGS. Is it not a fact that under the amendment sales of property to consumers would be specifically precluded from renegotiation? If a farmer bought a jeep for his own use, regardless of the price which he paid for it, there would be no come-back on him?

Mr. LANGER. What I am interested in is that the farmer shall be enabled to buy a jeep at a very low price without being required to pay some speculator a profit.

Mr. EASTLAND. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. EASTLAND. The proposed amendment has nothing in the world to do with the subject matter to which the Senator from North Dakota has referred.

Mr. McKELLAR. It has nothing to do with it.

Mr. LANGER. I have not examined the amendment. I have merely heard it read. It is quite long.

Mr. McKELLAR. Yes.

Mr. TYDINGS. The amendment is merely for the purpose of renegotiating excessive profits, and it would tend to prevent excessive profits.

Mr. McKELLAR. It would permit the renegotiation of contracts which had been entered into wrongfully.

Mr. TAFT obtained the floor.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BURTON. I wish merely to call the attention of the Senator from Tennessee to what evidently is a typographical error which may be confusing in the interpretation of the amendment. The amendment proposes that on page 74, line 16, the capital "A" be stricken out and that there be inserted a small "a" in parentheses. The capital A is a part of the sentence. If it were left in it would make the sentence read more clearly.

Mr. McKELLAR. Mr. President, I ask unanimous consent to modify the amendment accordingly.

The PRESIDING OFFICER. The amendment will be modified as suggested by the Senator from Tennessee.

Mr. TAFT. Mr. President, it seems to me that the amendment would wreck the bill entirely. It would establish a principle of renegotiation with regard to every subsequent transfer of every article sold by the Government under the bill. Talk about regulation and bureaucracy; the proposed regulation would extend from the person who bought the goods back to the manufacturer, to the wholesaler, and to the retailer. It would be necessary to set up a board 10 times as large as the present renegotiation board, which deals only with contractors and subcontractors, because the surplus commodities will gradually be transferred. They may be transferred for many years to come. It is now proposed to extend the principle of renegotiation and say in effect that because an article was bought at one price and resold at a higher price, an unreasonable profit was made. No standard whatever would be prescribed.

The amendment would apply to farm cooperatives which might sell to farmers jeeps which had been purchased by the cooperatives for that purpose. I cannot conceive of the extent to which the regulation would apply. There will be very few retail stores in the United States which will not handle some of the surplus war property, and they will be subject to renegotiation. I was personally opposed to the renegotiation law because it delegated to someone the right to say what was a reasonable profit without establishing the slightest standard as to what a reasonable profit should be. Nor is any standard established in the proposed amendment as to what is a reasonable profit. It seems to me that we are being asked to impose an administrative impossibility. If after surplus war goods are sold we try to control their course, and the profits which persons may make in the resale of the goods, and regulate the sale of every airplane, for example,



which may be bought for markets abroad, we shall be going far beyond what I believe to be reasonable. We shall regulate everything from airplanes down to cans of tomatoes which are handled in retail stores as to whether or not it is subject to that control.

When we originally considered this bill we had before us the question whether we should attempt to control the sale of plants and what we could do about plants which were sold. We went as far as we thought it was reasonable to go, that is, we provided that the Board might say that as a condition of buying a plant the purchaser must agree to operate it for 2 years, and if he did not do that, the Government would take it back. Certainly this proposal would extend control for all years to come. It would control machine tools, airplanes, locomotives which might be sold for 50 years from now, if those things last that long, and many of them may last that long. It seems to me to be a wholly unreasonable proposal and an unwise one. If we are going to sell surplus Government property, if it is one of the purposes of the bill to get rid of such surplus property, we cannot attach strings and prescribe what shall happen to the property forever after. I think the possible market for Government property would be cut to one-fourth of the people who might otherwise buy it, for the simple reason that prospective purchasers would not want the trouble of bothering with Government regulation and supervision for many years in connection with articles they might buy or articles which their subbuyers might buy. I believe that we might just as well pass no surplus property bill at all if we adopt this amendment.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. TAFT. I yield.

Mr. McKELLAR. I was simply going to ask the Senator a question. There is \$103,000,000,000 worth of surplus property. Does not the Senator think we ought to put safeguards about its distribution? The Senator says that he was against the renegotiation of contracts law; does not the Senator know that that law has been the greatest success in the world?

Mr. TAFT. No; I do not think it has been at all; I think it has been a most unfortunate experiment.

Mr. McKELLAR. No one has complained of it, and no one has introduced a bill to repeal it. It has worked to the tremendous advantage of the Government.

Mr. TAFT. Four-fifths of all the money, or 90 percent of it, anyway, we would have gotten back under the excess-profits tax, without all that machinery. However, that question does not arise here.

If the Senator wants to accomplish the purpose he is trying to accomplish, then what he ought to do, rather than to try to attach a renegotiation provision and have it apply forever, is to offer an amendment which would provide that when the Board sells an article for a

certain price it shall prescribe as a condition of the purchase to the person to whom it sells it that he will not sell at more than a certain advance. Let the Board fix what that advance shall be, so that the man who purchases the particular article may know at what price he can sell it. If the Senator wants to do something of that kind, well and good. We considered the question—and it is a debatable question—of imposing a condition in selling materials, so that articles sold at \$4 a piece could not be resold at more than \$5 a piece, or more than \$8 at retail. If the Senator wants to make it specific on particular articles on which it is thought there is some chance of a large profit being made, that might be done, and that would be a feasible, workable arrangement; but to say that anybody who ever buys any surplus property and then sells it again shall for 50 years to come be subject to renegotiation and have taken away from him a part of the advanced price at which he sold the goods seems to me to be unworkable from the standpoint of the Government and to eliminate the possibility of getting purchasers for goods. I believe it would really practically destroy the purpose of the bill. If it is desired to provide a condition, I think that is a possible thing to do.

Mr. McKELLAR. This plan has been tried and has been found to be very effective. I hope the Senate will adopt it.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator a question before he takes his seat. I should like to know about the practical operation of this proposal. Under the language of section (b) (1), which apparently intends to follow every item of surplus property down through its entire lifetime, the Government has got to keep track permanently, has it not, of all this \$103,000,000,000 worth of property?

Mr. McKELLAR. I hope it will.

Mr. VANDENBERG. And has it not got to audit every transaction so long as any of the property is still in being?

Mr. McKELLAR. No; I do not think so. I think it is left to the Board as to what course it will pursue. When it finds that this property has been bought in an unfair way or a dishonest way or in such a way that unconscionable profits are being made by those who bought it, it seems to me the Government should have the right to renegotiate the contract in the manner which has heretofore been tried out and found to be effective. I cannot see the trouble which the Senator looks forward to. I do not believe it will take 50 years to dispose of these surplus properties; I think they will be disposed of very rapidly.

Mr. VANDENBERG. I want of course to prevent racketeering and stop all fraud and exploitation, I agree with the Senator completely as to that; but I do not want to impose a permanent regimentation upon \$103,000,000,000 worth of property passing from hand to hand indefinitely during the life of the property, and it seems to me that will be the inevitable requirement if the section is to be effective.

Mr. McKELLAR. I do not think so at all—I do not think it has that meaning—it is not intended that it should have. The Board passes on the question, and the Board is, after all, the ultimate source of power in connection with the proposal and in making it effective. The same argument was used when the Renegotiation Act was under consideration, but that act has resulted in much benefit to the Government and the people of the United States.

Mr. VANDENBERG. I do not think that is a fair analogy, if the Senator will allow me to say so.

Mr. McKELLAR. I will take it back then.

Mr. VANDENBERG. In the first place, I do not think the situation is wholly comparable.

Mr. McKELLAR. Contracts were being entered into which were very hurtful and injurious to the Government, and Congress by law made provision for the renegotiation of such contracts. We might lodge in the Government the same power in this instance. The Renegotiation Act has been enforced to the hurt of no one, to any great extent at least.

Mr. VANDENBERG. It seems to me the point the Senator overlooks in his analogy is that the renegotiation power was a limited power involved in a war emergency, and the Renegotiation Act itself expires of itself under its amended terms within the next 6 or 9 months. I am simply asking the Senator for his interpretation, as I do not understand how anyone could anticipate the operation of a system such as this seems to contemplate in my view. Here, instead of a renegotiation system which was strictly limited in objective and time, it is proposed by law to assert that there can never be a transfer hereafter of any surplus property at any time without requiring in the transfer, or any subsequent transfer at any time in the life of the commodity, that an audit in respect to so-called excess profits shall occur.

Mr. McKELLAR. Does the Senator have any idea that the Board of eight members created by the bill is going to undertake to practice that kind of iniquity on anybody?

Mr. VANDENBERG. I hope not, but the Senator and I have both had plenty of experience with bureaucracy.

Mr. McKELLAR. Yes, sir; we have.

Mr. VANDENBERG. And the Senator will agree with me that a bureaucrat has the wildest imagination of any man on earth, and if he can find any possible excuse to extend either his own tenure or his power over his fellow citizens, he will do it.

Mr. McKELLAR. Perhaps some bureaucrats may do that, but I think there are other bureaucrats who are honest.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield to the Senator from Vermont.

Mr. AIKEN. I fail to be very much impressed by the argument of my colleagues on this side of the aisle, because, as I read the bill, it would appear to me that the jurisdiction of the Federal Government over this property is ended as



soon as the property reaches the hands of the consumer and is put to use.

Mr. McKELLAR. Yes; that is correct.

Mr. VANDENBERG. I do not know how the Senator can say that.

Mr. McKELLAR. With the provision that if a wrongful and dishonest practice has been perpetrated upon the Government the transaction can be renegotiated.

Mr. VANDENBERG. The amendment uses the word "transferee or any subsequent transferee."

Mr. AIKEN. "Except transfers to consumers"; so that when an article reaches the consumer, the person who is going to use it, the jurisdiction of the Government does end. The amendment offered by the Senator from Tennessee, it appears to me, would insure the property reaching the consumer's hands as quickly as possible, because if a purchaser or speculator knows that by holding the property for 2 years or 10 years he could not make any more profit, there would be no incentive to speculation.

Mr. McKELLAR. Of course the Senator from Vermont is correct in his statement.

Mr. AIKEN. I hope the amendment of the Senator from Tennessee will prevail.

Mr. BURTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. I yield.

Mr. BURTON. Following that same line of thought, leaving for a moment the matter of the difficulty of applying such a provision to personal property, I should like to direct the Senator's attention to the situation which arises with respect to real property. The amendment of the Senator applies to all deeds.

Mr. McKELLAR. Yes.

Mr. BURTON. Therefore it would apply to real property?

Mr. McKELLAR. Yes.

Mr. BURTON. And therefore ever after a parcel of land which was disposed of would be subject to this limitation?

Mr. McKELLAR. No; the parcel of land would be sold to a person who would use it. Why would there not be consumption to that extent?

Mr. BURTON. I think the Senator would have difficulty with the court if he were to attempt to show that the real estate had been consumed.

Mr. McKELLAR. For instance, if one rents a house or real property, and lives in or on it, that is a consumption of the house or real estate to that extent. If not, I have forgotten all the law I ever knew. I do not think I have forgotten.

Mr. BURTON. But as to the real property itself, it seems to me that the language as it stands would raise a permanent question with regard to the transfer of the title.

Mr. McKELLAR. I do not think so. The Senator, of course, may be correct about the matter, but I do not agree with him.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McFARLAND. Is it not a fact that the adoption of this amendment would eliminate speculators, so there would be no trouble on that score?

Mr. McKELLAR. I think it would have a tremendously good effect in that way.

Mr. McFARLAND. And the only market it would do away with would be the speculative market?

Mr. McKELLAR. That is my hope.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FERGUSON. Since the provision in question would apply to real estate and to all personal property, would it not be impossible to police such a provision?

Mr. McKELLAR. I do not think so. The same procedure is followed under the provisions of an existing law. We have not found any insuperable objection to carrying out the provision.

Mr. FERGUSON. Am I to understand that as applied to real estate it would be binding upon all future purchases in the chain of title?

Mr. McKELLAR. I would not say so. That would be a matter within the discretion of the board.

Mr. FERGUSON. Is it something which would be discretionary with the board?

Mr. McKELLAR. The board would have charge of it. The board would pass on it. It would either sue or not sue. It would make a claim or not make a claim.

Mr. FERGUSON. In other words, the board might make a claim against one man and not against another. That is the objection I have to the provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered to the committee amendment by the Senator from Tennessee [Mr. McKELLAR] on behalf of himself, the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. McFARLAND].

Mr. GEORGE. Mr. President, may the amendment be again stated?

The PRESIDING OFFICER. The amendment will be again stated.

The CHIEF CLERK. On page 74, line 16, it is proposed to insert "(a) Except as provided in subsection '(b)' of this section, a."

On page 74, between lines 24 and 25, it is proposed to insert a new subsection as follows:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus property by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the Board determines in accordance with this subsection to be excessive. In determining

whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the board from time to time as adopted.

(3) In any case in which, in the opinion of the board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

Mr. GEORGE. Mr. President, I have, of course, great sympathy with the purpose of the amendment, and great respect for my colleagues who have offered it. But the amendment, coupled with other provisions of the bill, will convert it from a reconversion bill into a bill to delay and to increase unemployment, finally ending in a depression, and it will end in a depression very rapidly. There could not be any purchaser who would buy any of this property if the proposed amendment were adopted. No one would then buy. The Government could not sell. Therefore the Government would merely keep the property.

Already the bill contains section 17 which I should like to read:

Sec. 17. Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract, or, next succeeding the date upon which operations begin after a period of conversion and alteration to be approved by the board, but not to exceed 1 year, and that upon breach of such condition, the Government may rescind the contract and upon return of so much of the consideration as shall be equitable, recover the plant.

With a proviso.

Under this provision, Mr. President, the very persons for whom we profess great concern, the small businessmen, could not buy any of this property. They could not obtain loans to help them buy it. The property could not be obtained except through a governmental or Federal agency which would let them have the money. Therefore no one would buy.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. The provision which the Senator read is already contained



in the bill. The proposed amendment does not affect it. The renegotiation provision merely undertakes to prevent speculators from obtaining Government property for little or nothing and making enormous profits. I understand that speculators who are waiting around for this \$103,000,000,000 of surplus property, are already arming and equipping themselves for the battle to come, to see for how little they can obtain this large quantity of surplus property, and how much they can make from its resale.

Mr. President, the proposed amendment does not have anything to do with the suggestion which the Senator makes. The amendment merely seeks to bring about honesty, and if a small businessman buys a piece of property belonging to the Government, or a plant belonging to the Government, and pays an honest price for it, and seeks to go into business, he need fear nothing from this amendment.

Mr. GEORGE. Where would he get the money with which to buy the plant? From whom would he get it with such a provision in the law?

Mr. McKELLAR. This provision would not affect his getting the money or not getting the money. It merely provides that the Government shall not be "hornswoggled," if I may use a word which is not often used, in selling the property and then having profits doubled up by speculators.

Mr. GEORGE. Mr. President, I assume that the whole purpose of the bill is to see that the Government receives value for its property. Else why set up a board of eight men and pay them each \$10,000 a year, with a vast organization to handle the property? Of course there may be some frauds. There may be some who will buy property at too cheap a price. But we are dealing with the problem of reconversion. We are trying to get the business machine going again so there can be employment, so there can be jobs. Yet through every line of this bill there are so many prohibitions and restrictions as to make reconversion a very remote thing, if it ever does take place under this bill, if it should become law. That is the solemn truth about it. If we cannot find someone who can sell this surplus property for value, and who is honest enough not to let speculators buy it for nothing, then we might as well quit anyway, because nothing we may do will prevent individuals from trying to make some money out of these purchases. The market is being narrowed; it is being narrowed to such a point that people will be cheated out of jobs, because potential purchasers cannot get materials with which to provide work.

The pending bill provides for stock piles of every known type and kind of metal and ore. When the War Department and the Maritime Commission are willing to say, "This is surplus; we have all we want," then the surplus goes into a stock pile, to be maintained under a law which we enacted prior to this war, so that no one fabricating metals of any kind, no industry depending upon any sort of raw material which is described as a strategic mineral or metal, can get it until some mine produces it and it

goes through the mills, and after weeks and months finally reaches the little plant, which has 200, 300, or 500 men standing idle and wanting to work.

This is not a reconversion bill. It is a bill to put the brakes on every sensible effort to place the material back into the hands of American workers and American producers who can and will furnish jobs. I do not wish to be offensive, but this bill might well be labeled "A bill for the mining industry." That is the industry which would profit by it.

Let us analyze it. My good friend from Tennessee, in his desire not to have someone speculate, wishes to narrow the market still further, and tie up property with an obligation to have the price renegotiated in peacetime, or when we are about to enter into peacetime and wish to provide employment and to furnish something for people to work on. It is proposed to stop the very wheels of industry. We shall have a W. P. A., and we shall have universal relief. Under the terms of the bill, until the Senator from Colorado today accepted the amendment offered by the Senator from Michigan [Mr. VANDENBERG] which does not quite cure the situation, a cotton mill would be stopped in its tracks for weeks, getting every single pound of lint and all the partially fabricated product out of its machinery. It would have to go into some other market and buy the very things it was forced to surrender to the Government.

We enacted a contract termination law which undertook to deal with this situation. It is almost universally regarded as an act under which business can resume work. Under that act we did not require fabricators and those who had contracts with the Government to turn all their material back to the Government and file an exorbitant claim and have it paid in cash. We wanted to induce them, if they would, to take at its fair value such material as they were working on in their plants, so that the plants might not be forced to stop, so that they might continue in operation, and workers might continue on their jobs.

With the stock-piling program, with section 17, and with the amendment now offered by my distinguished friend, no intelligent person would buy property the price of which could be negotiated and renegotiated through half a dozen generations.

I wish to see the business of this country get back in gear. I wish to see the American worker find a job, and I wish to have some one able to supply him with a job. I do not want anyone to defraud the Government; but some sharp trading by purchasers is inevitable. We cannot reconvert if we are to place this kind of a provision in the law. No one will buy the property. Least of all will the small businessman buy it. The small businessman is small because he must borrow money. He has not the capital with which to build a great enterprise. He cannot go to any bank or lending institution in the country and get the money with which to buy property with such a cloud on the title.

I plead with my colleagues, if I can be heard at all, not to prevent reconversion to peace, not to prevent the transfer of raw material into the hands of those who know how to use it, how to provide jobs, and how to rebuild and strengthen our economy.

We have tied up land. So far as land is concerned, it does not make very much difference. It is not very vital to the general economy. The land will remain there, and will finally be taken over by someone. But we have tied up land in ways which make it almost impossible to administer the act. It cannot be administered. According to the terms of the bill, the land must first be offered to the man who sold it to the Government, or, if he be dead, to his heirs. If his heirs do not want it, then it must be offered to his tenant. Finally, the veteran is given preference for 15 years in the purchase of land.

Who could administer such an act? Who could ever reconvert to a peacetime economy the vast resources of a country which have been stock-piled and taken over for war purposes? If we pass this bill, with all these hindrances and checks in it, we might as well write into the caption of the bill that it is intended to stop reconversion to American peacetime enterprise in its tracks, to the extent that \$103,000,000,000 worth of property and material is essential for the starting of industry.

Take another illustration. Under the provision to which the Senator from Michigan called attention this morning, consider an industry making screws or trucks for the Government. It has a stock pile of material in its own shops. It can continue, without let-down or hindrance, to make something which the farmers need, something which civilian enterprise needs, or something which every citizen needs. However, under the terms of the bill prior to the amendment which was accepted earlier in the day, the owner of such an industry would have to stop in his tracks and turn over to a disposal agency of the Government every piece of material in his plant. He would then be forced to try to find some other material to put back into his plant. Is that good business? Is that the way to convert to peacetime operations? Is that the way to make jobs for people in this country?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. On the point which the Senator has made with respect to owning agencies, as I understand his thought, he would like to have the owning agencies become the disposal agencies. The War Department is an owning agency. If we were to leave the doors wide open, the owning agency could dispose of all contractor inventories, which amount to many billions of dollars, without any regard whatsoever to any of the safeguards which we are attempting to place in the bill.

Mr. GEORGE. Oh, no.

Mr. JOHNSON of Colorado. The bill prohibits the owning agency from general disposition, but the bill provides disposal agencies, which would be expected to



dispose of the inventories in accordance with the provisions of the bill. Simply because the owning agency has been stopped from disposal—

Mr. GEORGE. I am speaking only of the contractor inventory in the plant itself. Under the terms of the bill, every wheel would be stopped until the owners of the industry could bring in some other inventory.

Mr. JOHNSON of Colorado. No. The disposal agency could turn over such an inventory under the terms of the bill. There is nothing to prevent the disposal agency from acting immediately; but under that clause the owning agency would not be permitted to dispose of such inventories without restrictions. We must always bear in mind that the owning agencies are the Army and the Navy. If the purpose of the bill is to turn this job over to the Army and Navy, to use their own judgment, that is one thing; but that is not what we attempted to do in the bill. We set up disposal agencies, and we placed around them certain restrictions, limitations, rules, and regulations, so that they would not disrupt the economy of the country. We made the disposal agency do these things, and we took the power away from the owning agency.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. I should like to make it clear that when the Senator from Tennessee [Mr. STEWART], the Senator from Montana [Mr. MURRAY], and I introduced the bill section 12 of the bill gave full power to the owning agency to dispose of any contractor inventory in its control.

Mr. GEORGE. Exactly. That is the provision in the original text of the bill, and it should remain in the bill.

Mr. TAFT. As the Senator has said, every amendment would make some change. Some amendments would restrict the power of the War Surplus Property Administrator to dispose of property. I agree with the Senator as to a good many of the restrictions imposed, although I believe that there must be some restrictions.

Mr. GEORGE. It is true that there must be some restrictions. I am not quarreling with that statement. Let me read the language of the bill. Let us see what can be done by the disposal agency. Omitting the first part, which has to do with the retention of material for war or defense purposes, with which no one, of course, is quarreling, on page 48, line 20, we find the following language:

*Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose.*

That is, for any purpose other than in the war effort.

*Provided, That no part of such inventories shall be retained.*

What does that mean, Mr. President? It means that in the case of a contract to take styles exclusively for the Government, which contract is held by numbers of textile manufacturers, when that contract is canceled the manufacturers cannot retain any part of the inventories in

their own plants. They must be taken out and turned over to some other agency.

Mr. JOHNSON of Colorado. Mr. President, I disagree with the Senator's conclusions, for the reason that the only thing we would stop would be the War Department. The War Department has contracted for textiles for war purposes. We do not interfere with that at all. The War Department should have that right. In this provision we continue its right to utilize those inventories for the purpose of providing for the war effort.

Mr. GEORGE. Oh, yes; that is all right.

Mr. JOHNSON of Colorado. But that is a part of the war effort.

Mr. GEORGE. Yes.

Mr. JOHNSON of Colorado. When the War Department has finished with the war, it should be through with such matters.

Here we provide for the creation of a disposal agency to take care of the disposal of that property for civilian purposes. We cannot have two disposal agencies. We cannot provide that the War Department shall be one disposal agency and that it shall have a free hand, and then set up other disposal agencies.

Mr. GEORGE. No. My good friend, the senior Senator from Colorado [Mr. JOHNSON], for whose frankness, candor, and honesty I have great respect, misses the particular point. The bill provides that no part of such inventories shall be retained or disposed of by any contractor or subcontractor for any purpose except for the war.

What does that mean? It means that a man who is making screws, which are necessary for peacetime purposes, must stop making them, and must take every bit of the material he has out of his own plant. But later he will have to get it or something like it again.

Mr. JOHNSON of Colorado. Mr. President, the proviso which begins in line 20 is, of course, a limitation on the power which is given to the agency to dispose of property, which is set forth in the section beginning in line 13. We give the agency certain powers to dispose of property. The following proviso is a limitation on those powers. It is not a general prohibition against inventories.

Mr. GEORGE. Let me read something which another agency of Government, one which is responsible for the administration of laws which have already been passed, has written as stating its view.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. Is it not a fact that the language referred to applies only in cases in which the surplus is owned by the Government, not by the plant? The Senator referred, by way of illustration, to textiles and to screws. I presume the Senator spoke of a plant which is operated on a unit-cost basis.

Mr. GEORGE. Yes; operating for the Government.

Mr. KILGORE. My understanding of the bill—and I was present in the committee—was that it applied only in cases

where the property actually was the property of the United States Government, not of the mill owner.

Mr. GEORGE. Perhaps that is correct. I will not raise any question about that.

Mr. KILGORE. If it is the property of the United States Government, the mill owner should not be permitted to retain it, unless in some way he can secure ownership of it. Is not that correct?

Mr. GEORGE. In a reconversion bill, when the very purpose is to keep the wheels running so that people may have employment, why should anyone take such material out of the mill owner's plant until such time as he can find some other source of supply? Why should he not be able to pay value for it and retain it in his plant? I am not fussing with anything the Senator has said by way of an abstract reference, but we cannot separate this matter from the problem with which we are dealing.

Mr. KILGORE. Is the Senator referring to the finished product or to the raw material on hand?

Mr. GEORGE. I refer to the raw materials in process of work in the shop.

Mr. KILGORE. Does the Senator refer to material which belongs to the Government or to the mill owner?

Mr. GEORGE. I refer to material which belongs to the Government but is a part of the mill owner's inventory.

Now let me read what someone else has had to say about this matter:

As reported by the committee, S. 2065 would create difficulties in the disposition of contractor inventories which may be disastrous. Section 13 (a)—

That is what I have been reading—

of the bill has been modified to prohibit the retention or disposition of any contractor inventories by the contractor or subcontractor except for the purpose of aiding in the prosecution of the war or in the common defense. Section 33 (f) defining "contractor inventory" has been substantially narrowed in its scope.

If permitted to stand, these provisions would have far-reaching consequences.

Mr. President, these provisions relate to the administrators of our Government who must do this job if it is to be properly done.

I read further:

1. These provisions would seriously impede and delay reconversion to peacetime production. Under the uniform termination article the Government may require war contractors to deliver their own termination inventories and those acquired from subcontractors. That provision was designed to enable the Government to acquire critical items and to prevent windfalls to contractors in unusual cases. Section 13 (a) apparently would force the Government to take over all of such inventories except those to be used for war production. Upon the cessation of hostilities, these materials will be needed immediately to convert to civilian production and to avoid widespread unemployment. If the Government is forced to take over all these materials, the disposal agencies cannot possibly distribute them to manufacturers under the terms of the proposed bill soon enough to avoid the risk of economic stagnation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?



Mr. GEORGE. I yield.

Mr. O'MAHONEY. Does the Senator understand that statement to mean that the author of the statement interprets the bill as an amendment of the contract termination bill?

Mr. GEORGE. No; but that in effect it is contrary to the spirit of the contract termination bill. It is not an amendment to that bill.

Mr. O'MAHONEY. Let me say to the Senator that I am sure no member of the committee had the slightest purpose of doing what the Senator fears will be done by this section. I know of no member who wished to raise the slightest obstacle to reconversion. The only purpose in adopting the proviso to which the Senator has been advertising was to prevent inventories, which are the property of the United States, from being held idle or from being disposed of at speculative prices. I am sure the Senator does not want to have such things occur.

Mr. GEORGE. No; I do not; but I do want to have reconversion achieved.

Mr. O'MAHONEY. If I understand the Senator correctly, what he is requesting is that inventories which may be in the plants at the time of termination may be usable in those plants. If I may say so to the Senator, I see nothing in the proviso which would prevent that. We are dealing here solely with surplus property belonging to the United States. If a textile contractor comes to the end of his contract, it will be a perfectly simple matter for him to make arrangement with the agency through which he has had the contract, for the amount of the property then in his hands which he wishes to retain. We are dealing here only with surpluses which he will not wish to retain. I am sure the members of the committee will be very glad to have that stated in any language the Senator may suggest.

Mr. GEORGE. I am sorry that I could not interpret it as the distinguished senior Senator from Wyoming has interpreted it.

Mr. O'MAHONEY. Of course, what I have stated is the purpose. What we are trying to do is to put that objective into proper language. I am sure there will be no objection to drafting apt language for that purpose.

Mr. GEORGE. Mr. President, as the bill was originally written on this point, and introduced, and sent to the committee, it covered this point and took care of this very issue. It is the change in the language with respect to contractor inventories which has brought about this situation.

Mr. O'MAHONEY. Mr. President, I heard the Senator make that statement earlier today. As always, having the greatest respect for the Senator's views, I immediately examined the language which had been deleted. I am frank to say to the Senator that I can see no ground for apprehension there.

The letter the Senator has received from the War Department says that the contractor inventory definition has been greatly narrowed. It has been narrowed only in the respect that we have used fewer words to state the same thing.

The words we used are the words which were used in the contract termination bill which was reported by the Finance Committee.

Let me read the definition of contractor inventory which was contained in the original bill. It is to be found on page 28 of the bill now before us:

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder (except any machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition); and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder—

That section is certainly subject to the same interpretation the Senator has put upon the amendment the committee has reported—

and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

Mr. GEORGE. Mr. President, has the Senator been reading the definition contained in the bill as it was reported?

Mr. O'MAHONEY. No; I have read the definition which was replaced. It is the definition to which the Senator has referred.

Mr. GEORGE. I so understood. I thought the Senator said that definition was in the bill as reported.

Mr. O'MAHONEY. No. It is in the original bill.

Mr. GEORGE. It is in the bill as introduced; is it?

Mr. O'MAHONEY. Yes; it is in the bill as introduced.

Mr. GEORGE. Very well.

Mr. O'MAHONEY. My view is that the definition is merely a more explicit definition of Government-owned property than the one we had. We felt that in adopting the language of the Finance Committee we were improving the bill.

Mr. GEORGE. I do not know that that is the language of the Finance Committee at all. The original bill was not introduced by me.

Mr. O'MAHONEY. Allow me to read to the Senator the definition of "termination inventory" as set forth on page 3 of Public Law 395 of the Seventy-eighth Congress:

The term "termination inventory" means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

The purpose of that language, of course, was to describe the inventory which was left over in the plant after the contractor had completed his termination negotiations with the Government. So it deals solely with surplus property belonging to the United States.

Mr. GEORGE. Mr. President, I was reading an interpretation which has been placed upon the bill, and I should like to finish it for the record because it is not my interpretation. I believe, however, that it is the inevitable inter-

pretation which must be applied. I resume reading:

This can be illustrated by the concrete example of a contractor engaged in producing trucks for the War Department. Upon termination of the contract, he will have on hand partially fabricated materials and component parts which he could immediately use to produce trucks for the civilian market. Under the bill as reported, the contracting agency could not permit the contractor to retain any of this property, even though he was willing to keep it without cost to the Government. He would be unable to begin production until he had obtained the same materials from other sources.

(2) These provisions would create tremendous waste and unnecessary expense. To the extent that the contractor can use or easily dispose of termination inventories for other productive uses, he saves the costs of redistributing this property through Government channels. By forcing all of this property to go through the contracting and disposing agencies, the bill will vastly increase the amount of paper work, administrative red tape, and unnecessary handling. This expense will serve no useful social or economic function.

(3) These provisions will not aid small business. On the contrary, the bill would require inventories to be taken from smaller concerns as well as larger ones and would therefore subject them to the same delay and expense in acquiring the same materials from other sources.

(4) These provisions would greatly increase the termination costs of the Government. At present, the contractor retains or disposes of substantial parts of the useful materials at cost and makes no claim for them, or retains or sells them at mark-downs, regulated by the Surplus Property Administrator, claiming only the difference. Under the bill, the Government would apparently be forced to take over all of this property although the contractor is in the best position to use it for immediate production, and will pay for it accordingly. This obligation to take over the inventory regardless of its utility would also impair the flexibility and negotiations in settling claims.

(5) This provision would overwhelm the disposal agencies with staggering quantities of partially fabricated materials and component parts, for which the only market will be the class of contractors from whom the property was taken. Meanwhile the Government will face a storage problem for such property of such dimensions that its solution seems virtually impossible.

(6) Finally, this provision would place in the hands of the Government and under its control a very large proportion of all of the raw materials and component parts now in the hands of the manufacturing industry of the country. For a while at least this would put all of such companies at the mercy of the Government agencies controlling the supplies of these materials. Such an adventure in economic planning makes many of the wartime controls seem trifling by comparison.

Mr. President, it was not with reference to this particular part of the bill that I rose. I wished, while I was discussing the amendment offered in all good faith by my distinguished friend, the Senator from Tennessee [Mr. McKellar], to point out the unavoidable effect of several of the provisions contained in the bill. I return to section 17 of the bill, to which I have already alluded.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.



Mr. JOHNSON of Colorado. On page 75 of the bill in paragraph (b) a number of acts of Congress are set forth. We have specifically named the laws which the pending bill would not affect. Would the Senator be satisfied if, at the end of line 17, we were to change the period to a semicolon and add such a provision as this: "or any right which the contractors and subcontractors have with respect to termination inventories under the Contract Settlement Act of 1944"?

Mr. GEORGE. I believe that a change of that kind would very greatly strengthen the bill. It might make the language clearer if the Contract Settlement Act were enumerated among the acts which the Senator has said would not be impaired or affected by the provisions of the bill.

Mr. PEPPER. Mr. President, before discussion upon the pending subject is concluded, will the Senator allow me to propound a question?

Mr. GEORGE. I yield.

Mr. PEPPER. Under the Contract Termination Act would a contractor whose inventory was located in his building have to pay a fair market price for it? In other words, would he be able to obtain the same articles at a lower price than someone else?

Mr. GEORGE. No.

Mr. PEPPER. Is it the purpose not to give him any price preference?

Mr. GEORGE. That is true. That is expressly provided in the Contract Termination Act. If he takes the articles at the price provided under the Contract Termination Act he has no claim under the contract against the Government for any other money.

Mr. PEPPER. I have one further question. We shall possibly encounter the question when inventories are in the hands principally of a group of large manufacturers. The small manufacturers who want to resume peacetime business may not be able to obtain inventories because large manufacturers, who may already be working for the Government, have on hand all the principal available stocks.

Mr. GEORGE. The language applies only to the contractor's inventory which he is using to produce materials for the Government.

Mr. PEPPER. Let us assume the Senator's illustration which he used a moment ago with regard to a textile mill. I can well understand how those engaged in the manufacture of certain articles for the Government might, of necessity, and rightly in wartime, have great stocks of commodities because they are making uniforms or articles of apparel for millions of men. But if the war were to stop and they were no longer required to produce for war purposes, it might be proper to allow other units in the industry not engaged in war work, but needing critical materials, to obtain them without giving the first preference to the manufacturer making war articles without regard to the needs of the contractor for peace purposes. Does the Senator understand what I mean?

Mr. GEORGE. Yes. The bill would not apply to any completed article. The

application would be only with regard to the process of conversion.

Mr. PEPPER. What I mean to ask is this: Would the owning agency—I assume it would be the Property Disposal Administrator, or the War Department or the Navy Department—have to supply to a particular contractor all the raw materials which he had on hand regardless of the relationship between the volume of the raw materials and the peacetime needs of the contractor?

Mr. GEORGE. No; I do not believe so because the situation would be qualified by the general provision in the bill to which, of course, no exception could be taken. On page 49 of the bill paragraph (c) states as follows:

(c) The board shall have the responsibility for reviewing the disposal actions and the decisions with respect to the classification of property of the owning agencies under this section to assure the fulfillment of the objectives and policies of this act and whenever the board finds it necessary it shall restrict by regulation or rescind the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

The quarrel with regard to the bill as originally reported was that it prohibited the board from allowing the contractor or subcontractor to take over or retain any part of his working inventory, not that the board would be required to let him have it all or any particular part of it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Georgia yield to me in order that I may comment on the suggestion made by the Senator from Florida?

Mr. GEORGE. I yield.

Mr. JOHNSON of Colorado. The difficulty is in distinguishing between the owning agency and the disposing agency. The committee was very anxious to place the inventories under the control of the board, and under the provisions of the proposed act, and not permit the War Department and the Navy Department to act without considering the provisions of the law, or the desires of Congress, in disposing of property without restriction. The committee tried to place some restrictions upon the disposition of property by owning agencies to contractors and subcontractors.

Mr. PEPPER. Mr. President, if the language were to the effect "except the same might be acquired from the Surplus Disposal Administrator in accordance with the provisions of this act," then the objection of the able Senator from Georgia, it seems to me, might have been met.

Mr. JOHNSON of Colorado. Mr. President, we accepted the amendment offered by the senior Senator from Michigan at the end of line 22. His amendment reads:

Except under policies established by the board.

So that ties the inventory back to the board and brings the inventory under the provisions of the bill. That is what we have been seeking, and I am sure the committee would have no objection to

striking out in line 21 the words "retained or."

Mr. GEORGE. I think that would in very large measure cure this particular defect, but I pointed that out as a restriction on the whole reconversion program, and now I have pointed out section 17, and I submit with all candor to those who are responsible for this bill that if they want small business really to have anything to do under the bill they had better reexamine section 17. It reads:

Every contract for the sale, or lease for 2 years or more, of a plant shall be made upon the condition that the purchaser, lessee, or transferee, and their transferees, if any, shall maintain the plant in substantial operation and production for a period of 2 years next succeeding the effective date of the contract—

And so forth. There are a great many Government constructions which, after this war is over, will be useful only for warehousing purposes. Many of the powder plants will be worth actually nothing except for the buildings themselves, which may be used for warehouses. If they are sold to anybody who could properly come within the definition of "small business," he would not be able to finance his purchase in the first place, and if we say "all property" we unreasonably restrict and narrow purchases to the point where the bill would be converted not into a reconversion bill but into a delaying bill; that is, it would keep the program from actually moving along as it is intended and contemplated that it shall. Now I come back to the amendment.

Mr. STEWART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. GEORGE. I yield.

Mr. STEWART. I was trying to follow the Senator from Georgia and the Senator from Colorado as to how the proviso in section 13 is proposed to be changed. I ask, as a matter of information, how the proviso beginning in line 20 now reads.

Mr. GEORGE. I think it reads substantially as follows:

Provided, That no part of such inventories shall be disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.

That seems fairly well to cover the situation.

Mr. STEWART. "Under policies established by the board?"

Mr. GEORGE. "Under policies established by the board," under rules and regulations established, I presume, is what it means.

Mr. STEWART. And the words "retained or" have been stricken out.

Mr. GEORGE. It is suggested that they be stricken out because the important thing is to prevent the disposal of the property, not to force the removal of the plant.

Mr. STEWART. That is a proviso which was placed in the bill by the Military Affairs Committee; it was not in the original draft of Senate bill 2065.

Mr. GEORGE. No; the original draft of the bill covered precisely the objection



we raised this morning. The Senator from Tennessee is quite right.

Mr. PEPPER. Mr. President, would the able Senator have any objection if inventories were retained in accordance with regulations of the board?

Mr. GEORGE. I do not think that would make any material difference, but I do think it is of vast importance for the Government that the contractor not be required to move material at Government expense and store it at Government expense.

Mr. PEPPER. I should like the attention of the Senator from Colorado. It seems to me that once there is accorded the protection the Senator from Georgia is anxious about—and I think properly so—what is done must be done under the regulations of the board. It seems to me that the acquisition of an inventory as well as its disposition might be subject to regulations of the Board.

Mr. GEORGE. I think that would substantially cover the issue, particularly if the Senator from Colorado includes in the latter part of the bill the acts that are not affected by it, including the Contract Settlement and Adjustment Act.

Mr. JOHNSON of Colorado. On page 75 in due time, I expect to ask for the adoption of an amendment.

Mr. GEORGE. I thank the Senator for his statement on that point.

Mr. PEPPER. Would it not be just as well to leave in "retained" and not have it stricken out, with the additional words added at the end of line 21 and then the other amendment to which he adverted? Would the Senator from Georgia have any objection to that?

Mr. GEORGE. I think it would accomplish the same purpose and cover the same thing.

Recurring to the amendment offered by the distinguished Senator from Tennessee, I was simply pointing out that it added one more brake to the disposition of surplus property and narrowed the sale and probably the number of possible purchasers of the property.

Mr. PEPPER. To what page is the Senator referring?

Mr. GEORGE. It is an independent amendment which has been offered.

Mr. JOHNSON of Colorado. Page 54.

Mr. GEORGE. It was section 17 on page 54 to which I called attention; but the amendment offered by the Senator from Tennessee is a new amendment. I am satisfied in my own mind, indeed I am convinced from a long study of this subject that if we make it practically impossible for purchasers to acquire war materials now in the hands of the Government or which will be in the hands of the Government or of contractors or of subcontractors on the termination of their war contracts—for which they would be entitled to make claims against the Government unless the property were taken over at inventory cost, or reopened by the contractors and operated for peacetime consumption—I am satisfied that all these brakes will so narrow the bill as to make it almost impossible of administration as a revision bill.

I want to stress the point that, of course, I have every sympathy with any purpose to prevent profiteering or to prevent people from buying any material now held by the Government and making resales of it at exorbitant profits, or any profits, so far as that goes, if their purpose is merely to obtain a profit. But we are dealing here with a problem not of mobilization for war and not with contractors with whom the Government had to make contracts which must be speedily made and in a field that was wholly new, when the contractors themselves might be entirely ignorant of the cost and the Government itself might not have any dependable figures, but we are dealing here with the sale of property which the Government has obtained and has negotiated and renegotiated, the value of which it knows or ought to know. So, it seems to me, there can be no reason why the Government under this set-up or under the set-up contained in the House bill for the disposal of surplus property could not get reasonable and fair values for its property.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ELLENDER. I did not quite understand the criticism of the Senator of section 17 on page 54. As I understand that section, it is designed to make it certain that if a person or corporation buys a plant he will immediately operate it and if he does not operate it for at least 2 years, the Government can then take it back. What is wrong with that?

Mr. GEORGE. How many small businessmen are going to buy a plant under those conditions, and where will they get the money with which to buy it?

Mr. ELLENDER. I do not think they ought to buy it if they fail to operate it.

Mr. GEORGE. That is the point I was making. I do not think they could buy it.

Mr. ELLENDER. The point is that under section 17, as I understand, if a plant is purchased the purchaser must operate it; otherwise it will revert to the Government so that the Government can sell it to someone who will operate it.

Mr. GEORGE. I understand that, but only the big businessman can operate it.

Mr. ELLENDER. I think it is a good provision.

Mr. GEORGE. I do not think it is a good provision for it narrows the market, and only the large operator, only the highly organized concentrated business groups can buy these plants.

Mr. ELLENDER. Under that provision if anyone buys a large property he would have to operate it, and if he should not, it would revert to the Government.

Mr. GEORGE. Yes; that is correct; he would have to operate it, but the point I am making is that small businessmen could not stand the loss. If he had purchased the plant and agreed to operate it for 2 or more years, he could not stand the loss of the money involved. Those who have already a monopoly in the field could stand it. Take an aluminum plant. A large aluminum company might well buy an aluminum plant and say, "Yes, we will operate it for 2 years." They might operate it at a loss; they might know they were going to operate it at a

loss. But where is the little businessman who can buy an aluminum plant unless it can be operated at a profit?

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CHANDLER. I think, under section 17, any person who undertook to buy a plant would find that two considerations are involved. One is the ability to buy it if it were declared to be surplus property; and the other the provision that if he buys it, he must operate it, and that if he does not operate it, the Government will take it away from him and give him back his money. So he must be able at least to undertake the business venture. If he does undertake it, he must run it, operate it, in order to insure employment. If he does not do so, that is a breach on his part of his obligation, and the Government will take the property away from him, but will give him back his money.

Mr. GEORGE. There is no unequivocal statement to the effect that the Government shall give him his money back. The provision is that it shall return so much of it as will be equitable.

Mr. CHANDLER. That is all he would be entitled to.

Mr. GEORGE. Yes; but he buys under those conditions.

Mr. CHANDLER. First, he buys a plant. What we are trying to do now is to provide that when he buys and operates, he shall do so in the interest of the people. It is in the interest of the people that he operate the plant in order that there may be employment and production.

Mr. GEORGE. Some of the plants cannot be operated.

Mr. CHANDLER. Very well. In such a case there would not be a purchase, under the terms of this provision.

Mr. GEORGE. But if he buys he would be obliged to operate.

Mr. CHANDLER. I do not think anyone would buy if he understood that he could not operate.

Mr. GEORGE. The point I wish to make is that, in my opinion, this provision virtually excludes the small businessman from coming in and buying any of these plants. I do not see how he can take the risk. He is not financially strong. He is an independent businessman whom we commonly classify as a small business operator. I do not see how he can buy, under the obligation here imposed that he must operate for 2 years or more, because he cannot assume such a risk. He presumably is not going to buy at less than the value. Presumably someone is going to make him pay value. It is only the strong group that could buy some of these plants and take chances on them. Such buyers will charge off the losses anyway. Their taxes will probably be less after they have charged off the operating costs of an unprofitable plant for 2 years.

Mr. CHANDLER. The alternative of that is to scrap the plant, and sell the material for scrap. The Government either wants the plant operated or wants to sell the material in the plant. We have tried to provide in this measure for the sale of property which is declared



surplus. I do not assume that anyone can buy unless he is financially able to keep the property and operate it. When he buys a plant he undertakes to run it for 2 years. We have safeguarded the buyer from any act of God or any circumstances beyond the buyer's control.

Mr. GEORGE. Yes.

Mr. CHANDLER. I do not see how it will be a hardship on the purchaser under such circumstances, because in the first place no one would undertake to buy the plant unless he were financially able to buy it and to operate it.

Mr. GEORGE. Yes. But what the Senator's argument comes to is that the market has been narrowed.

Mr. CHANDLER. No; I think the provision gives the widest latitude to anyone who wishes to buy a plant and operate it, in order that we may have what we all talk about and want—production and employment. Employment is not to be had in a place where there is no production. We wish to sell the surplus plants, if we can, to those who can pay the Government for them.

Mr. GEORGE. I agree with the Senator.

Mr. CHANDLER. The purpose is to sell the plants so they may be operated and may produce and afford jobs to those who need jobs. We say to the prospective purchaser, "If you buy the plant, and then if for any legitimate reason you cannot continue, if circumstances which are beyond your control should arise which prevent you from operating the plant, we will arrange to release you from it and pay you back your money."

Mr. GEORGE. Mr. President, my position is that this is a restrictive provision in the bill which will narrow the number of possible purchasers, and inevitably it will be at the cost of the weak man, if it is at the cost of anyone.

Mr. CHANDLER. My good friend the Senator from Georgia desires reconversion.

Mr. GEORGE. Yes.

Mr. CHANDLER. The Senator wants reconversion?

Mr. GEORGE. Certainly I do.

Mr. CHANDLER. The Senator wants sound reconversion from wartime to peacetime. How can we get reconversion from wartime to peacetime unless we provide a solid basis on which an individual can obtain a plant and operate it? In what other way can we do it than the way provided in the bill? It seems to me that if we fail to make such provision, the alternative is to scrap the plant and sell the scrap, what is left of it, if it is surplus.

Mr. GEORGE. Mr. President, I do not care to argue the point any longer. A great many plants will have to be scrapped.

Mr. CHANDLER. I have no doubt about that but I wish to save as many of them as can be saved.

Mr. GEORGE. But these are salable plants. I may assume they are plants which are salable to someone. When the title is tied up it makes it impossible for the small businessman to borrow money, because no bank is going to lend him money when it does not know

whether he can operate the plant for 2 years and when, if the individual cannot operate the plant for 2 years, the Government will step in and take it back, and then also, as is now proposed, the Government can step in and renegotiate the contract, and the Government may decide that the purchaser did not pay enough for the plant. What I am trying to say is that by these restrictive provisions we are narrowing the possible purchasers for the surplus material.

Mr. STEWART. Mr. President, will the Senator yield to me for an observation?

Mr. GEORGE. Yes.

Mr. STEWART. Of course the purpose in drafting the section was to prevent, as the Senator has already said, monopolistic control of any industry in any one particular line. The possibility of the purchase of these plants and holding them as stand-by plants, or dismantling them, or tying them up so they could not be used in production, presented a serious question, and one with respect to which it was hard to come to a decision. The Senator spoke of the difficulty of obtaining loans to make purchase, and the narrowing of the market for purchasers. I should like to call the Senator's attention to the fact—I am sure he has not overlooked it—that the bill contains provisions which permit the Smaller War Plants Corporation to finance small business.

Mr. GEORGE. I know that is true.

Mr. STEWART. That would prevent the narrowing of the field of purchasers.

Mr. GEORGE. We do not appropriate any more money to the Smaller War Plants Corporation. We are merely giving the Corporation authority to buy at a resale.

Mr. STEWART. Yes; and that would probably have to be done. The Corporation has the right to guarantee the payments.

Mr. GEORGE. The Senator is quite right. That is intended to aid the small business groups, and I have every sympathy with that effort. It seems to me this is a restrictive provision which will be harmful in the general reconversion program, and particularly so far as the rather weaker units are concerned, individuals or corporations, who wish to become owners of Government surplus property.

Mr. STEWART. We are seeking directly to prevent monopoly.

Mr. GEORGE. Yes, and to keep people at work.

Mr. CHANDLER. Mr. President, will the Senator permit one more observation?

Mr. GEORGE. I yield.

Mr. CHANDLER. The committee gave most careful consideration to this section, and I think the committee was unanimous in the hope that there would be written a section which would offer the widest opportunity to the so-called small businessman to participate in the reconversion program. I confess that the provision may be written without restriction, but it seems to me that section 17, as it is presently written, gives ample opportunity to every individual who believes he can operate a plant, and who

has a sufficient amount of money on hand or in prospect, or who can have his operation financed, and the language gives him an out and gives the Government an out. I confess that I do not know what we could add which would at the same time accomplish the purpose we seek to accomplish.

Mr. GEORGE. I thought that other and further provisions of the bill, such as safeguards against monopoly, safeguards against sales being made contrary to the advice of the Attorney General, and so forth, might very well take care of those difficulties, so that we would not have to hamper or encumber the title to the property in such a way as will affect the interest of the Government or affect the ability of the small business operator to acquire property freely and go into business for himself if he can.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. GEORGE. I yield.

Mr. ELLENDER. Is the obligation to operate the plant for 2 years the only restriction the Senator has pointed out in this section?

Mr. GEORGE. Yes; that is all I have referred to in this section. I referred to this section in connection with the amendment offered by the Senator from Tennessee. They must be considered together.

Mr. ELLENDER. Does the Senator feel if a small businessman were to apply to a bank to borrow money with which to buy and operate a plant, that in all probability the bank would insist that the plant be operated? In other words, would not the same obligation be placed on the man who applied to a bank for money to purchase a plant as is placed on one who buys a plant under the provisions of this section?

Mr. GEORGE. Certainly. But when any property which is not strictly consumer goods is tied up by any sort of conditions of this kind the possible market is narrowed. I think all of us know that to be so. Therefore the double purpose of the bill is, first, that the Government may realize what it can from this surplus property; and second, to make a reasonably speedy conversion—I do not say that speed is the sole consideration—back to full peacetime operation. It seems to me that this is one of the restrictions which, in connection with the amendment offered by my very good friend from Tennessee, would make it really out of the question for the small businessman to take the risk of buying. The amendment provides for the renegotiation of his contract.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ELLENDER. What I had in mind was section 17 as written, to which the Senator has directed his criticism. At all events, as I see it, if a small businessman were to attempt to buy a plant and borrow money from the bank for that purpose, my guess is that the bank would



insist that before lending any money on the plant, the plant should be in operation so that the borrower could discharge his obligation.

Mr. GEORGE. Yes; my further guess is that the bank would not lend the money to him under this provision, because the Government might step in and take the property back. If the amendment of my friend from Tennessee should be adopted, the Government could step in and renegotiate the contract, increasing the price, on the ground that the price paid was too low.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. GEORGE. I yield.

Mr. WILEY. I should like to have the Senator's opinion with relation to some definite situations along the very line he has been discussing.

In this country there are a large number of plants—whether they be called small plants or large plants does not make any difference—with respect to which the Government insisted that enlargements be made. Before the war those plants were engaged in manufacturing along certain lines, and they now have facilities which would expand those lines probably 50 times. There would be no real need in peacetime for such expansion, but the Government owns the extensions.

Mr. GEORGE. That is true.

Mr. WILEY. Under those circumstances, if the Government insists that the extensions be operated, it cannot be done. We then confront the question as to how much the Government would ask for those extensions. In my own State there are a number of such places. I am very much interested in the Senator's approach to the problem.

Mr. GEORGE. The Senator is correct. In such cases the owners of the plants could not agree to operate. The only type of operator who could agree to operate would be a concern such as the United States Steel Co. It could agree to operate, because it could afford to operate at a loss. It could reimburse itself with tax losses, and could afford to take over the facilities.

I am particularly concerned on behalf of the small businessman. The Senator is quite correct. There are a great many plants which are useful in peacetime only as warehouses or storage houses. Presumably the Government might sell them for storage houses. They might be operated as storage houses, either private or public. However, there are innumerable plants which cannot be operated with any assurance of a profit for a couple of years, and anyone who might undertake to operate such a plant would run into financial difficulties. In the long run we shall not get back to sound economy if, through fear that someone will make a little profit on the goods and merchandise, the Government ties the property up with conditions which would so narrow and restrict the market as virtually to defeat a reconversion program.

I cannot get out of my mind the thought that the only reason why we have dealt with this whole problem is that we do not want the wheels of business to stop. We do not want agriculture to stop. We do not want jobs to play out. We want to make things which our people need today. The distinguished Senator from North Dakota [Mr. LANGER]—and his statement could be repeated with reference to every other State in the Union in relation to some article of machinery—has called our attention to the fact that the farmers of his State have been unable to obtain combines, tractors, trucks, and mowing machines. That situation prevails all over the country. We ought to make it possible to reconvert from war to peace as quickly as possible consistent with the protection of the interests of the Government, and consistent with what we believe to be sound policies.

There is no possible quarrel with the Senator from Tennessee so far as the soundness of his policy is concerned, namely, to prevent profiteering in the goods and materials now owned by the Government; but to impose upon all sales made, from one transferee to another, through a long chain, the renegotiation of the price if it should develop that the property was worth more than the original purchaser paid for it, would be so to hamper the reconversion program as to make it almost impossible. It would be delayed, and the result would be confusion which would prevent the production of peacetime goods and articles which we need so badly. That would mean that jobs on the farm and in business, which should be opened up speedily, would not be available.

Under the provisions of the Contract Renegotiation Act, there is no doubt that some contractor may profiteer to some extent at the expense of the Government. He may get a settlement to which he is not actually entitled. But we thought, as a matter of public policy, that when we had safeguarded, so far as we could, the cancellation of the contract and the adjustment of damages under the contract, and provided for the removal of the surplus material from the plant so that there might be a reconversion to peacetime operations, the general economy was being served. That meant that we were getting our country back to peacetime operation.

I do not mean to be at all critical of the committee. I know that it has worked hard and faithfully. But reading this bill from cover to cover, and studying it by and large, my conclusion is that in many instances its inevitable effect would be greatly to delay and confuse the whole problem of reconversion to peacetime economy.

For that reason particularly, and solely for that reason, I feel that the amendment which my friend the Senator from Tennessee has offered would be a very serious mistake, because it would fasten upon the property—much of it real property and durable goods which would last for a number of years—the obligation of renegotiation when, under a change of conditions, or a fortuitous

shifting of the economic picture, some Government agency might consider it profitable to renegotiate a contract.

Mr. AUSTIN obtained the floor.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. AUSTIN. I shall be glad to yield if the Senator does not intend to consume much time.

Mr. WAGNER. Mr. President, is there an amendment to the bill pending?

The PRESIDING OFFICER. There is an amendment pending.

Mr. WAGNER. I intended to offer an amendment which I am sure would be agreeable to the sponsors of the bill. I am confident that there would be no objection to it. However, in view of the fact that an amendment is pending, I shall not be able to do so until after that amendment has been disposed of.

Mr. AUSTIN. Mr. President, I shall consume only a few moments of the time of the Senate. I wish to comment on two of the points which the distinguished Senator from Georgia has discussed. The first is the proviso in section 13 (a). The Vandenberg amendment, which I understand has already been accepted as a part of the proviso, would make the proviso read:

*Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose, except under policies established by the board.*

First, I should like to ask whether it is in order for me now to move to strike out the proviso as amended.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee [Mr. McKellar] is pending.

Mr. AUSTIN. Mr. President, I accept that ruling as a ruling that it would be out of order for me to move to strike out the proviso at this time. However, I may desire to make such a motion at a suitable time later.

Mr. President, I regard the proviso as inconsistent with—indeed, in conflict with—the existing law and the policy of Congress.

Mr. WAGNER. Mr. President, will the Senator yield to me for a moment?

Mr. AUSTIN. I yield.

Mr. WAGNER. I must return to a committee meeting. I am sure that the amendment which I intend to offer will meet with no objection. With the permission of the Senator, I ask unanimous consent that I may offer it and have it disposed of.

Mr. AUSTIN. I yield for that purpose, if the Chair rules that it may be done.

Mr. WAGNER. I ask unanimous consent that I may offer the amendment and have it considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. DANAHER. Mr. President, I have no idea in the world that I shall object, but I should like to hear the proposed amendment stated.

Mr. WAGNER. I was about to ask that it be stated.

Mr. DANAHER. I was sure the Senator had that in mind. Let it be read.



The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 43, line 1, in the committee amendment, after the word "consumer" it is proposed to insert the word "minority."

Mr. WHITE. Mr. President, would the word "minority" come before the comma; that is, between the word "consumer" and the comma?

Mr. WAGNER. Yes.

Mr. WHITE. So that it would read "consumer minority."

Mr. WAGNER. The amendment would merely insert the word "minority."

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment offered by the Senator from New York to the committee amendment? The Chair hears none. Without objection, the amendment to the amendment is agreed to.

Mr. WAGNER. I thank the Senator from Vermont for yielding.

Mr. AUSTIN. Mr. President, I should like to conclude the brief statement I wish to make. I have said that the proviso read by me is in conflict with the policy the Congress has declared by Public Law 395, Seventy-eighth Congress, to provide for the settlement of claims arising from terminated war contracts, and for other purposes. The matter will be plain, upon my merely reading the statute which is the law today. The title is "Removal and storage of material."

I shall read section 12 (a), which is to be found on page 11 of the pamphlet:

It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory, not to be retained or sold by the war contractor.

I do not need to press that point at all. That is plain English. In the ordinary acceptance of those words, when we undertake by a proviso in the pending bill to say, "Provided, That no part of such inventories shall be retained or disposed of by such contractor or subcontractor for any other purpose except under policies established by the board," we are by a back-handed method trying to repeal the existing law.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WHITE. Assuming that the Senator is correct in his opinion regarding the effect of the proviso, I should like to know whether that effect is intentional or unintentional on the part of the committee.

Mr. AUSTIN. It was not intentional on my part. As a humble member of the committee, I had grave doubt about this proviso, and I expressed it. At the time when the matter was debated, I did not have before me section 12 (a) of the existing law. Since then I have obtained it, and now I am fully persuaded, whereas then I was only partly persuaded, that the proviso does not belong in the bill and that it would come out, even as it is improved by the amendment of the Senator from Michigan.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. JOHNSON of Colorado. I desire to join the Senator in his recommendation that the proviso on page 48 be eliminated from the bill. I think, as he does, that it should go out.

I would suggest to the Senator from Georgia [Mr. GEORGE] that on page 75, where we make it certain that the bill does not contemplate interfering with other statutes, in line 9, after the word "of", where it first appears, we insert the words "the Contract Settlement Act of 1944," so as to entirely remove any fear that the bill will in any way affect the Contract Settlement Act of 1944.

Mr. AUSTIN. Then, Mr. President, I ask unanimous consent that on page 48, beginning in line 20, the proviso as amended be stricken out.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

Mr. VANDENBERG. Mr. President, I simply wish to say that I am in total accord with the request. It completely achieves the result I was seeking some time ago. If I had dared hope that there would be a surrender to any such request, I would have made it myself. I entirely agree with the Senator from Vermont.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Vermont? The Chair hears none, and the amended proviso, beginning on page 48, line 20, is stricken from the bill.

Mr. AUSTIN. Mr. President, I now wish to refer to the other matter, which is the pending amendment submitted by the distinguished senior Senator from Tennessee [Mr. McKELLAR], for himself and the Senator from Mississippi [Mr. EASTLAND] and the Senator from Arizona [Mr. McFARLAND].

In the committee, I considered the idea presented by the amendment. It was not then in the form in which it now appears. But the idea was the same, no matter in what form presented, namely, the attempt of Congress to lay the dead hand of mortmain upon contracts and land titles for all time to come. If that is not an absurd proposition, I do not know what is. With our background of respect for contracts, with all the laws which have been passed by Congress and by the legislatures of the several States aimed at a free economy in which private individuals will have the right to make contracts and the right to acquire property freely and to pass it on to their heirs or assignees, without having laid upon their contracts a dead hand which would remain through the ages, to me it is a preposterous thing now to say "You cannot exercise the customary, well-known right of selling in a free market to a willing buyer, you being a willing seller."

That is what the amendment amounts to. It is an attempt to destroy completely the freedom of contract, and to say that a board which Congress sets up may exercise its judgment upon a man's contract with another individual citizen of the United States, and may say that

the price asked and the price paid resulted in the seller's obtaining a profit which the board thinks is unconscionable.

If it were humanly possible, with our frailties, to pass a sound judgment upon that question, I should wish to know what kind of machinery would be provided to watch over the contracts of citizens of the United States in pursuing the units into which \$103,000,000,000 worth of property have been divided, and to chase them down their lines and lineages from now to the end of the world.

Mr. McKELLAR. Mr. President, will the Senator yield to me? He has asked a question about how it will be done. I should like to have him permit me to tell him.

Mr. AUSTIN. Yes; I yield.

Mr. McKELLAR. Section 3 of the amendment provides as follows:

In any case—

That is to say, in the case of any one of the sales of the \$103,000,000,000 worth of property or any part of it—

in which, in the opinion of the board, excessive profits have been realized it shall forthwith—

Not to the end of time, not throughout all the ages, but forthwith—  
give notice by registered mail—

That is a fairly safe way of notifying people—

to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing—

Not through 10 or 12 centuries, as was suggested here earlier today—

the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount judged to be excessive profits.

That gives a perfectly plain, straightforward, honest method to be used and passed upon almost immediately by the board. Its order must be based on an opinion sufficient to enable the board to recover in a suit at law.

That would be an end to the matter. It would all be over. If that would not be a fair, just, and proper administration of the matter, I should like to have the Senator say what would be.

Mr. AUSTIN. Mr. President, with the utmost courtesy for the Senator from Tennessee, I wish to say that he has overlooked the first part of his amendment. I read the first part of it:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions . . . (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

There the Senator has constructed a chain which will have no ending until the property is exhausted.



Mr. McKELLAR. Oh, no. Those requirements would not apply until the board acts.

Mr. AUSTIN. The process would have no end.

Mr. McKELLAR. The board would act, and it would exhaust the powers which are given to it under this bill. That is all the amendment would do. If I may repeat to the Senator what I have said heretofore, let me point out that its purpose is merely to prevent rascality and dishonesty in the disposition of \$103,000,000,000 worth of property.

Mr. AUSTIN. If that is the sole purpose, Mr. President, let us adhere to our customary and usual jurisdiction, namely, over the contracts which we make as a government, and not undertake to go into the field of repeated contracts by citizens. The illustration is good only for the first step. Through all time every transfer subsequent to the first will be subject to the law, and the board will not become functus officio in exercising its power once. It must be the watchdog of the chain of descent of property through all the assignments and transfers which are made for a consideration for all time. That is against every concept which I have of government and of free economy. It is the kind of totalitarianism which we have tried to avoid by providing safeguards throughout the bill. If there is anything that the committee worked hard to accomplish it was to protect the public interest without giving to the Central Government too much authority. By providing for a board we tried to get away from one-man control, and put the matter into the hands of a board. We tried to get away from the executive idea and give to the Congress a visitorial authority. We went even so far as to get off of the end of the limb and go into the locality and ask for advice there. Perhaps we overdid it. My own thought is that we did. I do not like the idea of extending the authority as we have done. Nevertheless, I am not making a protest against it. I am protesting against the idea of Congress enacting a law which would visit upon every contract made with respect to every unit of the \$103,000,000,000 which has been referred to, the dead hand of review by a Federal board. To do so violates our theory that in this country we may export our goods and our property from one State to another without Congress stepping in and imposing a tariff on them, or imposing some other barrier which would interfere with our free economy and our free commerce. Indeed, our laws are designed to encourage and promote commerce, to increase it and make it free to flow, grow, flourish, and make us prosper. Everything about this proposal offends my sense of good government and free enterprise.

Mr. President, I was opposed to the bill in the committee, and I am very much opposed to it now.

Mr. McFARLAND. Mr. President, I very much regret that my good friend the distinguished Senator from Vermont seems to believe that our amendment is absurd. I also regret very much that my

good friend the able Senator from Georgia finds himself in disagreement with the amendment. The amendment is not a complicated one. It is very simple.

It has been suggested that the amendment would prevent conversion. I say that it would promote conversion. It would facilitate putting property into the hands of the consumer. That is where we want it to go. Let us examine the language of the amendment. On page 2, beginning in line 3, the amendment reads as follows:

And (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

What does that mean? It means that when land is sold to some one who farms it, the land is then in the hands of the consumer. If that is not the meaning of the language I am sure that my colleagues will join me in a modification of the amendment so that its meaning will be more specific. The amendment means that if a factory should be sold, when it was placed into the hands of the persons who were to operate it, the property would then be in the hands of the consumers. The amendment further means that when jeeps are sold, when people start driving them and using them, they will be in the hands of consumers. What is there complicated about that?

The language of the amendment means that surplus war property could not be sold at prices which would permit unreasonable profits. It has been said that prospective buyers would be prevented from being financed to buy property. Since when has it been necessary to pay an unreasonable profit in order to obtain finances? If our country has come to that stage, we have come to a serious state of affairs. There is nothing unreasonable about the amendment. It is a very simple one. It has been suggested that we should assure farm implements being placed in the hands of farmers. That is exactly what the amendment is intended to do. Every day I receive telegrams and letters—

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. EASTLAND. The purpose of the amendment is to get surplus war property into the hands of the farmers and other consumers without excessive profits being made, and without affording profits to speculators who would gouge the consumer.

Mr. McFARLAND. The Senator is absolutely correct.

As I was about to say, I am receiving telegrams and letters every day from farmers who wish to obtain caterpillar tractors. Tractors of that type are not now available. When the war is over the Government will have a great many caterpillar tractors for sale. If this amendment were not agreed to there would be nothing to prevent someone from buying caterpillar tractors in bulk and holding them for unreasonable profits and preventing farmers from buying them.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. EASTLAND. Is it not true that the amendment would take the principle of renegotiation, in its protection of the people of the country, to conference so that it could be considered there? If there is sufficient opposition to the principle of renegotiation, of course the vote in the conference would be against the amendment. As I understood the distinguished Senator from Colorado [Mr. JOHNSON], who is sponsoring the bill, it is a wholesome amendment to protect the people of the country, and its provisions could be adjusted in conference.

Mr. JOHNSON of Colorado. Mr. President, I do not think the Senator from Mississippi quoted me quite correctly in saying that I thought it was a wholesome amendment. It has a wholesome objective.

Mr. EASTLAND. The Senator is correct. That is what he said, and I beg his pardon for misquoting him. The amendment would provide renegotiation only down to the consumer level; and when that level was reached and property was being used, there could be no further renegotiation.

Mr. McFARLAND. I thank the Senator.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield.

Mr. HILL. I find myself in sympathy with the authors of the amendment. I wish to propound a question. With regard to the question of land, how would the Senator apply the language to a land transaction?

Mr. McFARLAND. My interpretation of the language with regard to land is that when a person buys land and starts to farm it, for example, he becomes a consumer, and that should end the transaction.

Mr. HILL. In other words, if a person were to buy land, live on it, or use it for himself, that would be the end so far as any power of the board is concerned to follow the transaction further.

Mr. McFARLAND. That is my interpretation.

Mr. HILL. I wonder if language could be suggested which would make for a clearer interpretation.

Mr. McFARLAND. The amendment will have to go to conference. If it is at all ambiguous, so far as the Senator from Arizona is concerned, he will have no objection to the amendment being modified.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. AIKEN. Is it not true that if a purchaser of a plant—and I assume also of land—were to comply with the provisions of section 17, which require operation for a period of 2 years, he would automatically be qualified as a consumer, and that therefore the property would not be subject to any further renegotiation whatsoever on the part of the Government?

Mr. McFARLAND. I think the Senator has made a correct statement.



Mr. AIKEN. If he should comply with section 17, he would be absolutely qualified?

Mr. McFARLAND. I think so.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WEEKS. In respect to land in urban areas, how would the consumer qualify if he made a purchase of such land?

Mr. McFARLAND. What kind of land does the Senator have in mind?

Mr. WEEKS. Let us assume an office building.

Mr. McFARLAND. If the Government should sell an office building to a person who started to use it as an office building, that person would become a consumer.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CHANDLER. I have a great deal of difficulty in agreeing to the definition of who is a consumer under this bill, but if the Senator's version is the correct one, under the language on page 2 of the amendment, reading "(B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers," what does the Senator mean by the words "except transfers to consumers"?

Mr. McFARLAND. The amendment does not apply to goods which get into the hands of the consumer.

Mr. CHANDLER. Then what is the purpose of the amendment?

Mr. McFARLAND. The purpose of the amendment is to prevent profiteering in the buying and selling of goods which belong to the people of the United States. The amendment provides that when goods get into the hands of those who are to use them, namely, the consumers, the transaction is ended so far as the board is concerned.

Mr. CHANDLER. It seems to me that the definition which has been used excludes all of them. What else is needed? If the amendment excludes them nothing else is needed. The goods would be in the hands of the consumers right away. I agree with the Senator from Vermont.

Mr. McFARLAND. I am sure the Senator will not say that goods which were sold after the last war were in the hands of the consumer the minute they were sold.

Mr. CHANDLER. After the last war, as I said yesterday, there was about \$6,000,000,000 worth of surplus property and I do not think a very good job was done in disposing of it, nor do I think anybody brags about it. This time, however, the surplus property amounts to \$103,000,000,000, and the committee spent day after day trying to find ways and means to dispose of the property and to convince the people of the country that we wanted to provide, not for prompt disposition of this property, but for an orderly disposition of it so that there could be the widest possible distribution among all the people of the United States and the widest opportunity afforded the people of

the United States to participate in the distribution of the property under proper conditions and terms. If we have not done that, as was said yesterday, we are prepared to vote for any amendment which will facilitate that objective.

The committee discussed and rejected the theory that we ought to try to establish rules and regulations to provide for the prompt disposal of the surplus property. The committee rejected the idea that any one person should be permitted to have charge of it and promptly distribute it or sell it in large blocks or otherwise to arrange for the disposition of this property so that it would defeat the interest of the average man in the United States. If we are going to fix it so that if a man in good faith, under the regulations prescribed by the board, buys a piece of real estate, of which there are about 6½ million acres said to be surplus and subject to disposal, land that the people of the United States hold at the moment, we can say to him, "Even though you bought it under the rules and regulations prescribed by the board and paid for it, you shall be subject to a policing agency which, if it is sold to somebody else, will inquire into the transaction and ascertain when and why you sold it and what you got for it, and regulate you all the way down the line," nobody is ever going to buy it, and the purposes we sought to effectuate will be defeated, of getting this land, 6½ million acres of it, broken up into small lots and placed in the hands of the average man, perhaps a veteran, who is given a preference. First, the original owner of it has the priority and then his lineal heirs and then the owner's tenants, and then the veteran. In many instances the Government has bought farm land so as to establish military reservations which it is admitted will not be needed after the war is over. Perhaps some of the original owners or their lineal heirs may want to go back to that land and live in the communities where they were born, where they reared their children, and where they went to church, but from which they were removed through no fault of their own but because of the necessities of war.

Mr. McFARLAND. I should like to say to the Senator from Kentucky that this amendment would not prevent that. It would make that impossible by preventing lands from falling into the hands of speculators.

Mr. CHANDLER. Suppose the original owner of the tract of land acquired it and suppose after he bought it from the Government it was passed on at an agreed price, which was a fair price to another man, and suppose the second man sold it later to someone else, the board under the amendment would have control of those transactions. If that is not true, then my discussion is not correct.

Mr. McFARLAND. I am sorry the Senator does not agree with my construction of the amendment. I explained a few moments ago that once the land was sold to a person who used it, it was my interpretation of the amendment that the land was then in the hands of the consumer and the board

would have nothing more to do with it.

Mr. CHANDLER. Of course, if the Senator thinks those who buy land and buy plants are going to consume them, he may entertain that view but I have difficulty in being convinced that anybody is going to consume land and consume manufacturing plants. They are going to be there still and they are going to be sold as long as they are there.

Mr. McFARLAND. I am sorry the Senator from Kentucky disagrees with my interpretation of the amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I confess that I am very much alarmed by the Senator's amendment, and only because of what it provides. Let me read it in part to the Senator.

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers.

Mr. President, that would require that the deed given by the Secretary of the Interior to a homesteader in the State of Arizona would have to contain a reservation to the effect that the homesteader if he transferred the land to another person would be subject to have the whole transaction reexamined. That would be true with respect to every single item of land sold under this bill.

We have taken every precaution that it is possible to take to make certain that surplus tracts of land shall be sold to individuals, that there shall be no question about their being sold to persons who want to utilize them for the purpose of making a livelihood. I am sure it is not the purpose of the Senator to require that the deed of transfer from the Government covering lands to homesteaders, lands to veterans, lands to beneficiaries under the Bankhead-Jones Act shall contain a clause which would defeat the very title to seek to convey.

Moreover, Mr. President, I want to call the attention of the Senator to this situation in respect to wool. There are now in the ownership of the Federal Government 200,000,000 pounds of surplus wool. It is wool that was accumulated as a stock pile. It hangs over the market; it is a threat to every wool grower of the West until it is disposed of. It is being disposed of now by the Commodity Credit Corporation and by the R. F. C. through auction sales. It is being disposed of or has been disposed of by sales to ordinary dealers. There has never been an intimation that one single pound of the millions of pounds which have been sold to date have been sold in a speculative manner. The disposition of that wool is a benefit to the wool growers of the country. If we were to provide, as the Senator's amendment



does, that those sales should be tied up with the requirement to renegotiate the purchase, as it were, it would mean that that wool could not be used by the mills of the country for making clothes which people are ready to buy.

Mr. President, I think the Senator's amendment would be destructive of the very purposes of the bill.

Mr. McFARLAND. Mr. President, I do not place that interpretation on the amendment at all.

Mr. O'MAHONEY. The Senator cannot deny the plain meaning of the language.

Mr. McFARLAND. Wool is being sold under safeguards, and the only thing the amendment would do would be to prevent an unreasonable profit. Anyone who is willing to buy goods and sell them for a reasonable profit can operate under the amendment. That is all there is to the amendment. If an unreasonable profit is what is desired, I simply cannot agree that it should be allowed.

Mr. O'MAHONEY. The bill is full of provisions intended to prevent speculative transactions, but the proposal which the Senator advances would require that every bill of sale, every deed to property, must contain a condition which would defeat the very purpose of the bill of sale. I think the amendment should be rejected.

Mr. McFARLAND. Mr. President, I regret very much that the distinguished Senator should disagree with my interpretation. I do not think the amendment has any particular application to agricultural lands, unless someone should buy and resell such lands for the purpose of speculating in them.

The amendment if adopted will afford a protection to the public. Everywhere I have gone I have found that the people wish to know the answer to the question "What is the Government going to do with these surpluses? Is it going to permit them to get into the hands of speculators?" They state they have invested their money in Government bonds and furnished the money to buy the goods which are now surplus. It is up to the Government to get every penny it can out of the goods.

Mr. EASTLAND. Mr. President—  
The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Arizona yield to the Senator from Mississippi?

Mr. McFARLAND. I yield.

Mr. EASTLAND. Statements have been made concerning the sale of wool. Is it not a fact that the stockpile of wool is sold at prices not less than parity, as provided by law?

Mr. McKELLAR. That is my understanding of the law.

Mr. EASTLAND. Then, how could excess profits be made from wool, and how could the amendment apply to wool?

Mr. McFARLAND. I do not know, and I do not understand the interpretation placed upon the amendment by the Senator from Wyoming.

Mr. President, as I have said, I feel that the amendment affords protection to the public. If the amendment is adopted, the people will feel that under

it they have some protection against profiteering. Everyone knows, it is common knowledge, that some individuals are desirous of getting hold of these goods for the purpose of making profits. What are we going to do about it? I contend that the amendment represents the best concrete method which has been offered thus far to protect the public.

Mr. McKELLAR. Mr. President, \$103,000,000,000 of Government property is affected by this bill. It is estimated that at the end of the war, if it shall end in the next 90 days or so, the Government will owe about \$300,000,000,000. That is the largest amount that any Government ever owed in all history, and probably the largest amount any government ever will owe in the future throughout the generations to come. It is estimated there will be \$103,000,000,000 of surplus Government property. What is our duty with respect to it? Is it our duty to turn the property over, without restraint, so to speak, to the gentlemen whom the distinguished Senator from Arizona has just described as rubbing their hands and waiting to get their hands on the surplus property at the lowest price they can, and selling it at a high price so they will make great profits?

There is nothing about the amendment which presents anything new to this body. The money which bought the surplus goods was spent with contractors. All Senators remember that a bill was passed providing for renegotiation of contracts made in connection with the goods bought by the Government. What has been the result of the law providing for renegotiation of contracts? I submit the record of the hearings taken in connection with the Military Establishment appropriation bill. It was shown that \$4,700,000,000 have been saved to the Government by reason of the renegotiation-of-contract law now in effect, which covers the contracts for the production of goods for the Government. As the Senator from North Dakota [Mr. LANGER] suggests to me, we are not yet through with making savings as the result of renegotiation of contracts. But already \$4,700,000,000 have been saved. That was the amount found to have been saved up to a date early in the present year.

Mr. President, when the bill providing for the renegotiation of contracts was before the Senate I recall that exactly the same arguments were used which are being used with respect to the proposal now before us. Much was said of the sacredness of contracts. I wish to say to my distinguished friend, the Senator from Vermont [Mr. AUSTIN], whom I love very much and whom I admire very greatly, that I am just as strongly in favor of the principle that we should stand by our contracts as is anyone on earth. I believe the Government should stand by every honest contract it makes. But our amendment is not aimed at honest contracts. It is aimed at dishonest, corrupt contracts, by which the Government is swindled, in the first place, and the consumer is mulcted, in the second place.

I do not see the senior Senator from Georgia present in the Senate Chamber at the moment. When he spoke a moment ago he was much concerned about small business. Small business is deeply interested in having honest contracts, because in order to get ahead, in order to grow into big business, small business must be honest, it must be straight. Small business wishes to engage in honest business, and we want to help small business to do business. Heaven knows that no man on earth believes more firmly than I do in standing by a contract. But fraud and corruption, as all of us who are lawyers learned in the textbooks in the days gone by, dissolve all contracts. Fraud and corruption nullify all contracts.

Mr. TAFT. Mr. President, I wish to call the Senator's attention to section 23, which provides that—

Every person \* \* \* who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this act, or who enters into an agreement, combination, or conspiracy to do any of the foregoing—

(i) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

In other words, that section attempts to reach the particular thing which the bill prescribes on page 68.

Mr. McKELLAR. From what page is the Senator reading?

Mr. TAFT. From pages 68 and 69. The bill, on page 50, provides that the board shall—

(1) Arrange for the widest practicable notice as far in advance of the sale as practicable, by advertisement or otherwise, to be issued and disseminated by the agencies so that large and small enterprises will be reasonably informed of the property offered for sale and the terms and conditions thereof.

It further provides that the board shall—

(2) Reduce lots or block of any items offered for sale to the smallest practicable units conforming with marketing policy in the agency concerned so that they will be within the reach of small business enterprises.

It states the purpose of the measure to be—

(7) To assure the sale of such surpluses in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes.

In other words, the bill attempts in every way to meet the criticism of the Senator from Tennessee, with which we all sympathize. But I do not think it is wise to say that for years after a sale is made everyone who handles the property, not simply land, but all foodstuffs, and so forth, the manufacturer, the wholesaler, or the retailer, is subject to renegotiation by the Government on every item he handles for all time to come.

Mr. McKELLAR. The amendment does not make any such provision. I read it a while ago, and I believe its lan-



guage is perfectly plain. If it is not absolutely plain, I urge the draftsmen who have so well prepared the amendment, to endeavor to make it perfectly plain, so that when the bill goes to conference anyone who reads it can understand its meaning.

Listen to the language of paragraph (3) on page 3:

In any case in which, in the opinion of the board excessive profits have been realized—

It is the board that has to pass upon the question—

it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits—

How?—

either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

There is a perfectly plain program. It cannot be misunderstood. What is the purpose of it? Is it to hurt the small businessman? It cannot hurt the small businessman. It is impossible to hurt the big businessman, if he is honest. The amendment is aimed at dishonest combinations or dishonest individual actions, which would take the Government's property at a very small price and sell it at such an exorbitant price as to make the transaction unconscionable. It is said that that cannot happen. We have absolute proof that it does happen, and has happened in the past 2 years. It happened to the extent of \$4,700,000,000 in 1942.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AIKEN. Does that figure represent all that has been recovered by the Government, or is that the amount recovered by the War Department alone?

Mr. McKELLAR. That is the amount recovered by the War Department alone. Other departments are not included in those figures.

Mr. AIKEN. Is it not true that equal amounts, or greater amounts, have been recovered by the Navy and the Maritime Commission?

Mr. McKELLAR. I do not believe that an equal amount has been recovered, but a very large sum has been recovered. I am informed that more than \$10,000,000 has been recovered from contractors with the Navy and the Maritime Commission.

With those figures staring us in the face, how can we refuse to regulate this matter?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. There is a slight implication in the remarks of the distinguished Senator, when considered in the

setting of what he has said, that the excessive contract prices are the product of fraud. I rise to say that so far as I know there has been no such cause for the excessive prices. On the contrary, the speed with which we had to move in mobilizing all our resources was such that no great care was taken in fixing prices. Besides, certain standards or rules were laid down for prices which produced results which had to be renegotiated. The prices were as fair as they could have been in the circumstances in which the contracts were negotiated in the first instance.

Renegotiation is not based upon the sole theory that men in dealing with their Government are crooks, and that what they gain by way of profit in serving their Government in time of war is gained as the result of fraudulent transactions. On the contrary, in most cases, if not in all, the excessive amounts which have been recovered by renegotiation were the result of the peculiar situation in which the contracts were renegotiated.

Mr. McKELLAR. The Senator is correct as to some of the contracts. There was no intentional dishonesty in connection with some of them. All I know about the subject is what has been published in the newspapers. I recall that the Attorney General, in bringing some of the suits to recover excess profits, made very strong allegations about dishonesty and corruption in connection with certain contracts. I have no doubt that such was the situation in many instances. Some contractors were dishonest and corrupt from the beginning. The departments have done the best they could. They have done a very satisfactory job.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LANGER. Is it not a fact that the late Senator Van Nuys, in connection with war-fraud legislation, stated that more than \$1,000,000,000 was involved in actions pending more than a year ago?

Mr. McKELLAR. I had forgotten that. I do recall that he so stated on the floor of the Senate.

How could this amendment hurt any honest purchaser of property? I do not see how it could. It seems to me that we are straining at gnats. It ought to be desirable to see that the Government receives a real, honest-to-God price for the surplus goods which it has to sell. I know that every Senator feels that way. I know that every Senator is perfectly honest and sincere.

How can we justify looking at technicalities, when we have before us a perfectly plain and simple case? I should be astonished if it were not for the fact that I remember that I had the same sort of a fight in connection with the renegotiation-of-contracts bill. It was said that it would never accomplish anything. It was said that the Government would not reap a penny of benefit from it. It was even stated on the floor of the Senate that the cost of establishing the organization to renegotiate contracts would be infinitely more than the Government would ever receive from it. After paying

all the costs, last winter we had already received from the War Department alone \$4,700,000,000.

With that sort of an experience staring us in the face, I do not see how in the world Senators can vote against an amendment which simply provides for honesty in making and carrying out contracts. That is the only question involved. We must choose whether to be on the side of those who would speculate and grow rich at the expense of their Government or whether to require those dealing with Government property to be honest all along the line.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. JOHNSON of Colorado. Many Senators are in agreement with the Senator from Tennessee as to his objectives; but some of us do not think that his amendment would accomplish them in the best way. I am wondering if the Senator would be willing to place some provision in the bill against profiteering, and then add another section to the penalty clause, giving the Board some power of recovery, so that if sales were made in which profiteering is indulged in, there could be a recovery by the Board.

Mr. McKELLAR. That is precisely what is in this amendment.

Mr. JOHNSON of Colorado. I know that, but some of us are not satisfied with the amendment as written. I wonder if the Senator would object to allowing the amendment to go over until tomorrow, to see if a better amendment cannot be drafted.

Mr. McKELLAR. Not at all. If the amendment can be improved upon so as to insure that the Government will be protected, and that those who would traffic in their Government's property for excessive profits alone will be debarred from doing so, I shall be delighted to see such an amendment.

This question will go to conference, and the conferees will be able to work out a satisfactory provision. The members of the drafting board who have been helping the Senator with this bill prepared this amendment for me at my request. Of course, if there are defects in it, I do not want defects in it. If there are mistakes in it, I do not want mistakes in it. All I want to do is to have a workable amendment which will prevent those who buy the property of the Government from unduly profiting by improper means.

Mr. JOHNSON of Colorado. Perhaps we can work something out by the time the Senate reconvenes tomorrow, which might satisfy some Senators who are not in agreement with the language of the Senator's amendment or with his approach to this problem. I therefore suggest that the amendment be passed over until tomorrow.

Mr. McKELLAR. So far as I am concerned, I shall be very happy to agree to that course. I may wish to be heard when I see the new language. I hope the language will be designed for the purpose of clarification, and not for the purpose of giving speculators larger profits.



Mr. WHITE. Mr. President, am I to understand that the Senator from Colorado is asking that the amendment be passed over?

Mr. JOHNSON of Colorado. I ask unanimous consent that the pending amendment be passed over until tomorrow.

Mr. WHITE. Mr. President, if some of the members of the Committee on Military Affairs on this side of the aisle, and other Members of the minority who have given close attention to the bill feel that there is hope that a compromise amendment may be arrived at, I believe that the proposal to pass it over is well worth while; but unless Senators on this side of the aisle have some hope that something may be accomplished by passing the amendment over until tomorrow, I think we ought to proceed at this time.

Mr. McKELLAR. Mr. President, there is a great deal in what the minority leader says. I should like to know if there is such a hope. If not, we might as well vote on the amendment. If the speculators win, we will abide by the result. Of course, I shall ask for a yeand-nay vote.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HILL. It is the hope that if the amendment is passed over there will be some possibility of drafting an amendment which will be satisfactory to more Members of the Senate, and at the same time attain the purposes which the author of the amendment has in mind. I understand that the Senator from California [Mr. DOWNEY] has an amendment to offer, and that there are several other amendments to be offered.

Mr. JOHNSON of Colorado. So we should not be wasting time.

Mr. HILL. My thought is that we might proceed to the consideration of other amendments at this time, rather than take a recess now.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and the pending amendment is temporarily laid aside.

Mr. DOWNEY. Mr. President, I offer an amendment which I send to the desk and ask to have stated. I hope it will not be controversial.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. On page 56, in the committee amendment, between lines 7 and 8, it is proposed to insert a new subsection, as follows:

(c) Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. DOWNEY. Mr. President, the senior Senator from Colorado [Mr. JOHNSON] has said to me that he has no

objection to acceptance of that amendment. If it is acceptable to the Senator, I shall not make any statement or argument on it. If any Senator desires to raise any question, then I shall.

Mr. VANDENBERG. Mr. President, I certainly would have to hear more than I have heard thus far before I could consent to any such general bargain counter.

Mr. DOWNEY. Mr. President, let me say to the distinguished senior Senator from Michigan that, so far as the measure of the price is concerned, that is in conformity with the provisions contained in the pending bill. The amendment I have offered provides that States and political subdivisions of States may receive a discount of as much as 50 percent of the value of the property or of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. VANDENBERG. Yes. But is not the Senator making the 50 percent discount mandatory?

Mr. DOWNEY. No.

Mr. VANDENBERG. As I have heard the amendment read, I think it would require that States and subdivisions of States receive a discount of 50 percent.

Mr. DOWNEY. Let me say that if my amendment would establish any deviation from the provisions of the bill as now written, then I shall request that the amendment be made to read in conformity with the bill. Will that be satisfactory to the Senator?

Mr. VANDENBERG. I still want to hear a little more about it.

Mr. DOWNEY. Very well.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AUSTIN. I wish to ask the Senator whether his amendment conforms to section 12 of the bill? I wonder if the text of the amendment carries out the theory of that section. As I understand, the theory which underlies the according of a discount is that the public good would be served by such disposal of surplus property, when conveyed to a government such as a State or one of its political subdivisions, for use in a public service, namely, some sort of public use, such as use in connection with schools, hospitals, and other eleemosynary institutions. That is the theory of section 12.

Has the Senator limited the disposal to disposal to a municipality or some other subdivision of a State?

Mr. DOWNEY. I have limited it to disposal to States or their political subdivisions; and the amendment relates only to military cantonments or camps. Let me say that the only respect in which the amendment would vary the terms of the pending bill would be that it would give a State the right to purchase such property before the former owners would have a right to purchase it. Otherwise, according to the way I meant to have the amendment drafted, it would not vary the terms of the pending bill.

I know that in California several camps have been erected by the Federal Government. The State would like to maintain them for its own military or other purposes. I think it would be

most advantageous to the Federal Government to have the State do so, because in the event of another war those parcels or military camps would be there for the use of the Federal Government. If no war comes—and we may now hope that will be the case—nevertheless a State will have use for such property.

I felt that in the case of a public use by a State itself, if the State wanted the property for such use, that right should take priority over the right of the former owners.

Mr. AUSTIN. Mr. President, will the Senator please read to us again the use he expresses in his amendment?

Mr. DOWNEY. Yes. It reads as follows:

Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. AUSTIN. I think the language should be revised somewhat, in order to make it clear that the condition on which the priority is granted is that the property be used for such public use. With such a provision included, I would have no objection to the amendment.

Mr. DOWNEY. I shall be very glad to modify the amendment so as to meet the suggestion of the Senator from Vermont.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. VANDENBERG. I now have the text of the Senator's amendment before me. I do not think it is subject to the objection I previously made against it.

Mr. DOWNEY. I thank the Senator.

Mr. HILL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HILL. I think that when the committee placed section 12 in the bill, it had in mind at least providing the opportunity to do the very thing the Senator proposes by his amendment. But I think the provision of the Senator's amendment is more definite and more certain.

I think the Senator's amendment should be adopted. In a case where a State or municipality desires to take over a military camp or cantonment for public use, as the Senator's amendment provides, I think the State or municipality should have the right to do so. I think such action will inure to the benefit of the State, the public, and even the Federal Government itself.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. WHITE. As I understood the amendment as it was read, it only authorizes the purchase of such property by a State or some political subdivision of a State, and only for public purposes. Is that correct?



Mr. DOWNEY. That is correct.

Mr. AUSTIN. We should make sure of that.

Mr. O'MAHONEY. Mr. President, if the Senator will yield to me, let me inquire of him whether there would be any limitation of time upon the operation provided for.

Mr. DOWNEY. No. Under the amendment, I think the State would be given the first opportunity to make the purchase. If it did not avail itself of that opportunity, it would lose the right to make the purchase.

Mr. HILL. Mr. President, if the Senator will yield to me, let me say that the amendment clearly provides that an opportunity shall be afforded. I should think that if the State did not exercise the right after a reasonable opportunity had been afforded, the property could be disposed of under the other provisions of the bill. I do not think there would be any unnecessary delay.

Mr. O'MAHONEY. Then, Mr. President, let me inquire whether it is the understanding of the Senator that the amendment he has proposed is not intended to raise any bar to the disposition of such lands if the State does not have use for the lands at the time when the disposal agency is ready to offer them for sale.

Mr. DOWNEY. That is correct.

Mr. DANAHER. Mr. President, I had risen having in mind the same thought the Senator from Wyoming has just expressed, namely, that the Senator from California should insert a limitation reading, "At a date not later than the dissolution of the next general assembly or legislature" of the State in question. Some such limitation would be reasonable. Certainly the legislature must have an opportunity to exercise an option for the State to acquire the property at a price not less than 50 percent of its value. Such property would include property available for State forests or for recreational facilities and the like, as well as for military purposes. So there are instances of that sort to which attention should be directed.

Furthermore, let me point out that elsewhere the bill has made provision that, in connection with the disposal of land by the Secretary of Agriculture and the Secretary of the Interior, if the land which was taken is agricultural, the former owners shall be offered, if available, nearby acreage of similar character.

In the amendment of the Senator from California there is no protection of that kind for the owner whose property has been sequestered, first by the Government and next by us, under the proposal being considered, for the benefit of the State of which the owner is a resident.

So I respectfully suggest that the Senator from California permit his amendment to be considered tomorrow, together with the various interpretations and ideas, and that its consideration then follow action upon the one we have already postponed.

Mr. DOWNEY. Mr. President, I shall willingly accede to the request of the Senator from Connecticut. However, I

wonder if the suggestion I am about to make would be satisfactory to him. Undoubtedly this matter must go to conference. Undoubtedly the conferees on the part of the House of Representatives will have ideas of their own. One of the most distinguished Members of the Senate, a Senator on the Republican side of the aisle, undoubtedly will be one of the conferees. All of us on both sides of the aisle have the utmost confidence in him. So I wonder if it would not be satisfactory to let this matter go to conference and to let the conferees work out the most salutary measure.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. DANAHER. I thank the Senator for yielding to me.

Mr. President, I would say it is unwise for us not to incorporate our very best ideas into the legislation we send to conference. We, not the conferees, should write the bills. Please understand that I have the utmost confidence in the conferees we name; but I should very much like to see the ideas suggested by the Senator from California embodied in proper form, with the suggestions which have been made added to them. Then let us act upon them.

Mr. DOWNEY. Very well, Mr. President; I am glad to acquiesce in that suggestion. I will hold over my amendment until tomorrow.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes.

Mr. KILGORE. Mr. President, on page 36 of the bill, in line 21, after the words "small business", it has occurred to me and has been brought to my attention that, in taking care of veterans, by failing to insert one other word we would discriminate against certain types of veterans, namely, physicians and dentists who sold their businesses to go into the armed forces when they were called.

My suggestion is that if, after the word "business", in line 21, page 36, we inserted a comma and the word "professional", we would provide care on an equal basis for all classes of veterans; because the language then would read:

Small business, professional or agricultural enterprises.

I offer that amendment.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The amendment will be read by the clerk, for the information of the Senate.

The LEGISLATIVE CLERK. On page 36, in line 21, after the word "business", it is proposed to insert a comma and the word "professional", so as to make the language read: "and maintain their own

small business, professional or agricultural enterprises."

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me? Mr. KILGORE. I yield.

Mr. JOHNSON of Colorado. Does the Senator mean a professional enterprise? Is it possible to use clearer language?

Mr. KILGORE. If a doctor is a member of a profession, his enterprise is certainly a professional enterprise. However, we could omit the letters "al" from the word "professional," and could say "small business, profession, or agricultural enterprises." If the Senator thinks such language is better, I will agree to having it used, and will agree to having the word "professional" changed to "profession", so that the language will read: "small business, profession, or agricultural enterprise." All I wish to do is to help.

Mr. DANAHER. Mr. President, I have no objection to the suggestion made by the Senator from West Virginia, but, so long as we are on the subject, has any member of the subcommittee given consideration to the fact that application of the subsection is being made in aid of honorably discharged veterans? When we had before us the so-called veterans' bill of rights some classes of veterans who were entitled to protection and relief were different from those who were honorably discharged veterans. I am wondering if it is not the intent of the Military Affairs Committee to apply the relief to all veterans who are otherwise covered by the G. I. bill.

Mr. AUSTIN. Mr. President, so far as I know, we intended to include all veterans who were discharged not without honor. A veteran with a blue discharge could receive benefits, as well as one with an honorable discharge.

Mr. DANAHER. But that is not the way the language reads, is it?

Mr. AUSTIN. No.

Mr. BURTON. Mr. President, I should like to point out that on page 77 of the bill, beginning in line 21, the definition of a veteran is as follows:

The term "veteran" means any person who during the present war was entitled to the benefits afforded by the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, and who has been honorably discharged or otherwise honorably separated from the service entitling him to such benefits—

And so forth.

Mr. DANAHER. If we were to include all those entitled to the benefits provided under the act of June 22, 1944, we would clearly include them all.

Mr. BURTON. They could be included in the part of the bill to which I have referred.

Mr. DANAHER. That matter, I assume, will be taken up at another time, but since our attention has been directed to the section of the bill to which the Senator has referred, I wished to ask about it. I thank the Senator.

Mr. WEEKS. Mr. President, I should like to point out that yesterday I inquired of the distinguished Senator from Colorado [Mr. JOHNSON] with regard to definitions of discharges as applying to



veterans. I asked him specifically with reference to the so-called blue discharge. I should like to have the Senator from Colorado, who has looked up the point, make a statement.

Mr. JOHNSON of Colorado. Mr. President, in reply to the Senator from Massachusetts as to the blue discharge, let me say that there are three categories of discharge, namely, the honorable discharge, the so-called blue discharge, and the dishonorable discharge. The blue discharge is between the honorable discharge and the dishonorable discharge. Congress has not been very consistent in its legislation with respect to the blue discharge. In the G. I. bill veterans with blue discharges were included. In the recent amendment to the Civil Service Act they were not included. They are not included in the pending bill. Perhaps Senators would like to know what a blue discharge is.

Mr. KILGORE. A blue discharge is not an honorable discharge. A veteran holding a blue discharge is not recommended for reenlistment.

Mr. JOHNSON of Colorado. A blue discharge may be issued only when an enlisted man is inapt or, second, does not possess the desired degree of adaptability for the military service after reasonable attempts have been made to reclassify and reassign him in keeping with his abilities and qualifications, or, third, is disqualified for service because of enuresis.

Mr. KILGORE. I think that in the past we have been a bit vacillating on the subject. After the First World War we recognized only the honorable discharge. It was the only discharge recognized by the United States Government. It included all discharges for disability. The blue discharge and the dishonorable discharge were not recognized. I wonder if the Senate should at this time consider the advisability of recognizing the blue discharge and the dishonorable discharge.

Mr. JOHNSON of Colorado. I question the advisability of accepting the blue discharge. In many instances it is a discharge without court martial. When the military authorities for some reason did not care to court martial a soldier who perhaps was guilty of an offense, they gave him a discharge without honor. If they had court martialed him, he probably would have been discharged dishonorably. I shall be glad to place in the RECORD a definition of a blue discharge. I do not know whether the Members of the Senate desire to recognize the blue discharge. It is for them to decide.

Mr. WEEKS. Will the Senator from Colorado read the definition of a blue discharge?

Mr. JOHNSON of Colorado. A blue discharge is issued when an enlisted man, first, gives evidence of habits or traits of character (except when discharged for physical or mental conditions as indicated as provided in section 1, A. R. 615-361) which serve to render his retention in the service undesirable, and his rehabilitation is considered impossible after repeated attempts to accomplish same have failed; or, second, is dis-

qualified for service, physically or in character, through his own misconduct, and cannot be rehabilitated to render useful service before the expiration of his term of service without detriment to the morale and efficiency of his organization.

Normally, when an honorable discharge would be issued a blue discharge may be issued when an enlisted man, first, is inapt, or, second, does not possess the required degree of adaptability for the military service after reasonable attempts have been made to reclassify and reassign him in keeping with his abilities and qualifications, or, third, is disqualified for service because of enuresis.

Enuresis may be a symptom of an underlying mental or physical condition. Underlying causes of enuresis may be organic disease, psychoneurosis, psychosis, mental deficiency, psychopathic personality, or lack of proper juvenile training.

So whether we wish to include such veterans in the pending bill is a matter which we should seriously consider. We left them out of the recently enacted civil-service law. We included them in the G. I. bill. There was reason for doing so. In some instances the blue discharge is issued perhaps for reasons for which the veteran is not responsible.

Mr. WEEKS. Mr. President, I may be entirely mistaken, but it seems to me that the committee has not given full consideration to the distinction to be made between the blue discharge and the honorable discharge. While I am not advocating a course which I think the Senate should take, I believe that it should seriously consider whether or not a man with a blue discharge is entitled to the same consideration which is to be given a man who has served his country and has been honorably discharged from the service.

Mr. McKELLAR. Mr. President, can the Senator state how many veterans have received a blue discharge?

Mr. WEEKS. No; I cannot state. I believe that there are not many blue discharges compared with the total number of men in service, but I do not know the number.

Mr. JOHNSON of Colorado. Speaking for myself personally, I am very much opposed to giving a veteran with a blue discharge the same consideration that is given a man with an honorable discharge. I am glad that the pending bill does not give him the same consideration.

#### MISSOURI VALLEY AUTHORITY

Mr. OVERTON. Mr. President, on August 18, 1944, the Senator from Montana [Mr. MURRAY] introduced Senate bill 2089, to establish a Missouri Valley authority, to provide for unified water control and resource development on the Mississippi River and surrounding region in the interest of the control and prevention of floods, the promotion of navigation, and reclamation of the public lands, the strengthening of the national defense, and for other purposes. At the suggestion of the Senator from Wyoming [Mr. O'MAHONEY] the bill, which was referred to the Committee on Agriculture and Forestry, was ordered

to be referred to the Committee on Irrigation and Reclamation for study by that committee after the Committee on Agriculture and Forestry had completed its study.

Mr. President, I ask unanimous consent that after the bill has received the consideration of the Committee on Agriculture and Forestry and of the Committee on Irrigation and Reclamation, it be referred to the Committee on Commerce, because it deals very largely with navigation and flood control, and that committee has always exercised jurisdiction with respect to such matters.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. AIKEN. Mr. President, I object. I see only one other member of the Committee on Agriculture and Forestry in the Chamber, and I think the remaining members of the committee should have something to say before surrendering jurisdiction over the matter. All matters pertaining to the Tennessee Valley Authority come before the Committee on Agriculture and Forestry, and I see no reason at this time why similar matters pertaining to other sections of the country should be transferred or sent to other committees. It may be that I may change my mind after studying the matter, but at first thought I would not want such action to be taken without the members of the Committee on Agriculture and Forestry knowing what the motion is. Furthermore, I do not see the need for hurry.

Mr. OVERTON. Mr. President, I am not trying to deprive the Committee on Agriculture and Forestry of the opportunity for making a study of the bill. I ask after that committee shall have completed its study of the bill, and the Committee on Irrigation and Reclamation shall have completed its study of the bill, that it then be referred to the Committee on Commerce for further study.

Mr. AIKEN. Does that have to be done tonight? I do not see why there should be any hurry about it. Perhaps it is a perfectly wise procedure to follow. But as one member of the Committee on Agriculture and Forestry I would not care to give unanimous consent to such a move at this time, when but a few Members of the Senate are present, and when but two members of the Committee on Agriculture and Forestry are present.

Mr. OVERTON. When the request was made that the bill be referred to the Committee on Irrigation and Reclamation no objection was made by any member of the Committee on Agriculture and Forestry. The Senator, I assume, was on the floor at the time. Very well, then, I shall probably have to take the matter up in another manner at the proper time.

Mr. AIKEN. Does the Senator mean that all three of the committees in question would have to report the bill to the Senate before it could be taken up for action?

Mr. OVERTON. That is correct.

Mr. AIKEN. I am not familiar with the bill.

Mr. OVERTON. Neither am I.

Mr. AIKEN. It seems to me that the proposed procedure would establish a



very bad precedent. Any Senator who is so minded could block legislation permanently if he could obtain consent to have a measure referred to three committees, each of which would have to report the measure favorably before action could be taken on it.

Mr. OVERTON. If the objection is based on the ground that the Commerce Committee has jurisdiction over the bill, and that the bill should have been referred to the Commerce Committee in the first instance, then at the proper time I shall move to discharge the Committee on Agriculture and Forestry from further consideration of the bill, and ask that the bill be referred to the Committee on Commerce. I do not like to pursue that course.

The PRESIDING OFFICER. The Senator from Louisiana has asked unanimous consent with respect to reference of a bill, but objection is heard.

Mr. OVERTON. Yes; I so understood. I shall make the motion I referred to at this time.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065), to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

Mr. WHERRY. Mr. President, I have sent three amendments to the desk. I ask that the first amendment be stated.

The PRESIDING OFFICER. The Chair calls attention to the fact that an amendment offered by the Senator from West Virginia [Mr. KILGORE] is pending. The question is on agreeing to that amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The first amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. On page 55, line 3, it is proposed to strike out the words "in plants acquired by the Defense Plant Corporation."

Mr. JOHNSON of Colorado. Mr. President, I hope the Senator's amendment will be adopted.

Mr. WHERRY. I thought the Senator from Colorado would explain the amendment. A colloquy developed on the floor yesterday relative to the suggested amendment, and it was my understanding that the committee would accept the amendment.

If the Senators will turn to page 55, line 3, they will find that the amendment is after the word "use" to strike out the words "in plants acquired by the Defense Plant Corporation." That would make the language read:

Except as herein or otherwise provided, no Government agency shall, in competition with private industry, manufacture or produce any articles or commodities for civilian use.

That means that there shall be no competition on the part of the Government with private business, in any plants, whether defense plants or any others. I understand there is no objection to the amendment and that it is acceptable to

the committee. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to, and the amendment to the committee amendment was agreed to.

Mr. WHERRY. Mr. President, I ask to have the next amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 53, line 10, after the word "time", it is proposed to insert the words "in no event to exceed 6 months."

Mr. WHERRY. Mr. President, that is a suggested amendment providing that the Attorney General shall have under advisement, for not longer than 6 months after notification, the question of whether or not a plant shall be sold. In line 9, on page 53, we find the language:

Within a reasonable time after receiving such notification.

Some Senators have felt that we should place a limit as to the time. So the amendment provides for not exceeding 6 months.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. O'MAHONEY. I suggest that the Senator reduce that time to 3 months. The committee felt that "within a reasonable time" would mean very speedily, and I am afraid that to say "6 months" would be to encourage delay.

Mr. WHERRY. I wish to thank the Senator from Wyoming for his suggestion. I shall be glad to modify the language to read "not exceeding 90 days."

Mr. FERGUSON. On what page is that?

Mr. WHERRY. Page 53, line 10, after the words "within a reasonable time." The language of the amendment, as modified, would be "not exceeding 90 days," so the language would be:

Within a reasonable time, not exceeding 90 days, after receiving such notification.

Mr. FERGUSON. When we consider the disposal of this property a delay of 3 months for a legal opinion from the Attorney General to me seems to be a very long time. Would the Senator be willing to fix the time at 60 days?

Mr. WHERRY. I have no objection to cutting it to as short a time as the Senator would want it cut to. All I wanted to do was to provide that the "reasonable time" should not exceed a definite time, and we decided at first on 6 months.

Mr. TAFT. Mr. President, it might easily take 90 days for the Attorney General to make the investigation which is necessary. I would suggest the language "Within a reasonable time, not more than 90 days after receiving such notification."

Mr. WHERRY. That is the modification I have already accepted. The language of the amendment, as modified, is "not exceeding 90 days," so the language would be:

Within a reasonable time, not exceeding 90 days, after receiving such notification.

Mr. President, I move the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska.

The motion was agreed to, and the modified amendment to the committee amendment, was agreed to.

Mr. WHERRY. Mr. President, I ask that the last amendment I sent to the desk be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 53, line 14, after the word "substantially" it is proposed to insert "Provided, however, That the words 'undue concentration' where used herein shall not be construed to apply to any geographical concentration."

Mr. WHERRY. This amendment is offered as the result of a colloquy which took place between the senior Senator from Michigan and, as I recall, the junior Senator from Kentucky [Mr. CHANDLER], relative to the concentration of business. I believe the committee looked with favor on the proposed amendment, and I move its adoption.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to, and the amendment to the committee amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I have an amendment which I think will be noncontroversial. I learned this afternoon from the representatives of the American Red Cross that considerable difficulty arose after the last World War by reason of the fact that materials which had been gathered by the Red Cross and donated to the military forces had been sold as surplus property. The resulting criticism of the Red Cross, of course, placed that organization in an altogether unfavorable, and unjustifiably unfavorable, light. The amendment which I desire to propose is merely to safeguard against such disposition after this war.

Mr. President, the amendment is as follows:

On page 38, between lines 2 and 3, I propose to insert a new paragraph, as follows:

(c) No property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DANAHER. Did the Senator say "processed or produced by the American Red Cross for any Government agency"?

Mr. O'MAHONEY. The language is "for any Government agency."

Mr. DANAHER. I thought the Senator might have said "or."

Mr. O'MAHONEY. No; the word is "for."

Mr. DANAHER. I thank the Senator. Mr. O'MAHONEY. Mr. President, I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment



offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. AIKEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 52, line 14, in the committee amendment, after the word "commodities", it is proposed to insert "or food processed from agricultural commodities."

Mr. AIKEN. Mr. President, it will be recalled that after the First World War the Government dumped food products on the market in such a disorderly manner that the agricultural price structure of the country was almost completely wrecked. It required 2 or 3 years to recover. I recall that the price of milk, for example, dropped to \$1 a hundred pounds. The Committee on Military Affairs, in rewriting this bill, has inserted a provision which provides for the orderly marketing of surplus agricultural commodities. However, I find that that provision does not cover food processed from agricultural commodities. This morning I called on the telephone the office of the Solicitor of the Department of Agriculture. While he was not in his office, one of his assistants told me that he was quite sure that this provision would not cover food processed from agricultural commodities. Such commodities would be dumped upon the market and would break the market for agricultural prices unless they were handled in an orderly manner. The Army probably does not own cottonseed, but it owns a great deal of cottonseed oil shortening. It does not own any tomatoes, but probably owns millions of gallons of canned tomatoes, bottles of catsup, and so forth. In order to carry out what I think is the purpose of the committee, I am offering this amendment and ask for its adoption.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DANAHER. Does the Senator in his amendment use the words "articles processed from agricultural commodities"?

Mr. AIKEN. No; I certainly would not do that. The amendment merely deals with food processed from agricultural commodities. I realize the impossibility of dealing with articles or goods.

Mr. JOHNSON of Colorado. Mr. President, may the amendment be again stated?

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be again stated.

The LEGISLATIVE CLERK. On page 52, line 14, in the committee amendment, after the word "commodities" it is proposed to insert "or food processed from agricultural commodities."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WEEKS. Mr. President, I send to the desk two amendments to section 14, which I offer and ask to have stated.

The PRESIDING OFFICER. The first amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 50, line 19, in the committee amendment, after the word "thereof" it is proposed to insert "Provided, however, That no extension of credit shall be for a longer period than 5 years."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WEEKS] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The second amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 52, at the beginning of line 2, in the committee amendment, it is proposed to strike out "and operation."

Mr. WEEKS. Mr. President, the amendment would make subparagraph (f) read as follows:

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition and conversion of plants and facilities, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

I shall explain as briefly as I can my purpose in offering the amendment to strike out the words "and operation."

The bill deals with surplus properties. Under the terms of the bill the Smaller War Plants Corporation is authorized to make loans to prospective purchasers of plants and equipment in connection with the acquisition, conversion—and, unless my amendment is adopted, the operation—of plants and facilities. My intention is to take away from the Smaller War Plans Corporation the authority to lend money to operate such plants. I believe that when surplus property is being distributed the Smaller War Plants Corporation should be enabled under the statute to help prospective purchasers acquire the property, and help them convert it; but I do not believe it is the intention of the Senate—I hope it is not its intention—to enable the Smaller War Plants Corporation to provide working capital to operate the businesses.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. CHANDLER. If this amendment is adopted, the criticism offered by the Senator from Georgia [Mr. GEORGE] with respect to section 17 will certainly be accurate. No small businessman can take over one of these plants under the terms of the bill and operate it. Certainly this amendment would eliminate the small businessman entirely. In order to get started, some of them will have to be encouraged and financed by the Smaller War Plants Corporation. We deliberately left in the bill the provision with respect to the Smaller War

Plants Corporation, and gave it power and authority.

If what we wish to do is, as the Senator from Georgia suggested, to have reconversion, employment, and production, and permit the small operator to have an opportunity to engage in the operation of plants, production, and distribution of goods after the war, he will not be able to do so if we take from the Smaller War Plants Corporation the authority to assist him in operating plants. If he should buy a plant and were unable to operate it, under section 17 the plant would have to be taken back by the Government, and an equitable consideration would have to be repaid by the Government to the man who undertook to operate the plant. If we adopt this amendment, we shall absolutely close out the little man entirely. I hope the Senate will not agree to the amendment.

Mr. JOHNSON of Colorado. Mr. President, I join the Senator from Kentucky in the hope that the Senate will not agree to the amendment. If the Smaller War Plants Corporation should acquire one of these plants and be unable to find anyone to operate it, what benefit would it be to acquire it?

Mr. FERGUSON. Mr. President, what would be the security for the money advanced by the Government for the operation of the plant? I can see the security for the acquisition and conversion of the plants and machinery, but what would be the security behind the loan by the Government to the small businessman to operate the plant?

Mr. JOHNSON of Colorado. Mr. President, it seems to me that acquiring a plant and not being able to operate it would destroy the security of the plant itself. Whenever we lend money on a plant, we lend the money for the operation of the plant. We do not wish to have the plant stand idle and collect cobwebs and dust. Idleness will destroy a plant facility more quickly than anything else.

Mr. FERGUSON. What would be the limit on the amount which might be advanced to operate such a business?

Mr. JOHNSON of Colorado. The Congress provides the money to the Smaller War Plants Corporation, and the Congress would place restrictions on such appropriations. The amount would perhaps be very small, as compared with the larger object of getting industry under way and furnishing employment, reconverting, and getting back to a peacetime basis. That is the important thing. If a few small loans must be made to aid in the operation of plants, that is a minor detail. If the Corporation is to lend money for the acquisition of plants, it should have authority to lend sufficient money so that the plants can be operated. I do not believe that we ought to make the sky the limit.

Mr. FERGUSON. That is just the question. Under the terms of this provision would not the Smaller War Plants Corporation have the right, in its discretion, to lend money to operate a plant for 1 year, 2 years, or any length of time it might see fit?



Mr. JOHNSON of Colorado. I should not be in favor of making the sky the limit.

Mr. FERGUSON. What limitation is there under the language of the provision as it now stands?

Mr. JOHNSON of Colorado. The appropriating power of the Congress.

Mr. FERGUSON. Do we not appropriate in lump sums, so that if an appropriation of \$10,000,000 or \$100,000,000 were made for the Smaller War Plants Corporation, it could lend it to those who applied first, and the others would not get any?

Mr. JOHNSON of Colorado. The Corporation must come to the Appropriations Committee and give an accounting.

Mr. CHANDLER. That should be done, of course, but the truth of the matter is that it could not be done.

Mr. HILL. Mr. President, it seems to me that this amendment is so important, and so greatly affects the question of what we propose to do about small business, and what encouragement we are to give small business, that it ought to be passed over until tomorrow, when we shall have a better attendance, and can go into the amendment more thoroughly. If it is agreeable to the Senator, I should like to move that the Senate take a recess at this time, so that the amendment will go over until tomorrow.

Mr. WEEKS. Very well.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. TAFT. I send to the desk an amendment which I ask to have printed, and to lie on the table.

The PRESIDING OFFICER. The amendment will be printed, and lie on the table.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. We have temporarily laid aside the McKellar amendment. What will be the pending business, under the agreement, when the Senate meets tomorrow?

The PRESIDING OFFICER. The McKellar amendment will be the pending business.

Mr. HILL. Then, after the McKellar amendment, will come the amendment of the Senator from Massachusetts [Mr. WEEKS], will it?

The PRESIDING OFFICER. Yes; if the Senator from Massachusetts calls it up.

Mr. HILL. Very well.

#### EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

(For nomination this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

#### FOREIGN SERVICE

The legislative clerk read the nomination of Philip W. Bonsal, of the District of Columbia, to be Foreign Service Officer of Class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the Public Health Service nominations are confirmed en bloc.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Without objection, the President will be notified forthwith of all nominations confirmed today.

#### RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 25, 1944, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate August 24 (legislative day of August 15), 1944:

#### IN THE NAVY

Capt. Gail Morgan, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval operating base, Midway.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate August 24 (legislative day of August 15), 1944:

#### FOREIGN SERVICE

Philip W. Bonsal to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

#### UNITED STATES PUBLIC HEALTH SERVICE

##### PROMOTIONS IN THE REGULAR CORPS

Sidney Frederick to be a passed assistant dental surgeon, effective August 15, 1944.

Raymond F. Kaiser to be a temporary surgeon, effective July 1, 1944.

John P. Turner to be a temporary surgeon, effective July 1, 1944.

#### POSTMASTERS

#### ARIZONA

Rebecca W. Burgess, Eager.  
Nellie I. Sherman, Hereford.

Don C. Tanner, Show Low.  
Mina F. Fleischauer, Tuba City.

#### ARKANSAS

Leith S. Johnson, Banks.  
Robert L. Burleson, Bearden.  
John B. Turner, Branch.  
Ruth Lloyd, Damascus.  
John P. Hanni, Ellis.  
Jennie Sharp Pylest, Etowah.  
Stella K. Coffee, Gassville.  
Fred M. Henry, McRae.  
Clara Evans, Maysville.  
Mary R. Lancaster, Mountain View.  
Ailie A. Irvin, Ozan.  
George F. Nixon, Ratcliff.  
Pleas Fowler, St. Joe.

#### COLORADO

Miles Crawford, Broomfield.

#### CONNECTICUT

Frank H. Schonrock, South Meriden.  
Florence G. Joyce, Weatogue.

#### IOWA

William J. Hohnke, Atalissa.  
Florence Fox, Fairfax.  
Newton V. Benson, Geneva.  
Lula M. Wilkins, Goodell.  
Donald W. McShane, Luana.  
Horace C. Campbell, Ollie.  
Elsie C. Allen, Ogden.  
William Bryan Fenimore, Peru.  
Lou Ella Jones, Rose Hill.  
Clifford L. Larson, Scarville.

#### LOUISIANA

Oscar A. Johnson, Albany.  
Ludwig A. Hebert, Bayou Goula.  
Annie L. Couch, Chestnut.  
Vivian K. West, Evergreen.  
Isabelle S. Booksh, Grosse Tete.  
Ida E. Mounger, Lettsworth.  
Betty M. Voigt, Provencal.  
Maude M. Clark, Tioga.  
James F. Willis, Sr., Varnado.  
William A. Rheams, Walker.

#### MAINE

Lee M. Rowe, Bryant Pond.

#### MISSISSIPPI

Mabel C. Basham, Hamilton.

#### NEBRASKA

Rex Hicks, Amherst.  
William A. Horstman, Creighton.  
Helen Betty Gott, Fort Robinson.  
Guy H. Matteson, Sutton.  
Clarence E. Hendrickson, Wahoo.

#### TEXAS

Lucy F. Reynolds, Aledo.  
John W. Boyett, Appleby.  
Herman A. Krause, Beasley.  
Felix A. Krause, Burlington.  
Mary B. Rankin, Bynum.  
Zella E. Mitchell, Campbell.  
Otis J. Bronstad, Cranfills Gap.  
William M. Riddle, Dale.  
Eugene B. Griffing, Danbury.  
Robert H. Mills, Dodd City.  
Huel D. Ray, Ector.  
Guyler Hamblen, Fostoria.  
Vivian E. Cobb, James.  
Charles W. Rankin, Jr., Jonesboro.  
Ralph L. Johnson, Laneville.  
Ada H. Worley, Malone.  
Myrta E. Nichols, Melissa.  
Charles K. Langford, Mertens.  
Cyrus M. Walsworth, O'Brien.  
Neeta Shaw, Ovalo.  
Virgil R. Laycock, Ravenna.  
Russelas C. Boyd, Rochelle.  
Bertha M. Johnson, Salado.  
John J. Newell, Naco.  
Claude C. Strickland, Savoy.  
Alma Leta Clements, Sebastian.  
William E. McIntosh, Utopia.  
Peregrina Benavides, Zapata.  
Malvin L. Cobb, Zephyr.



# House of Representatives

THURSDAY, AUGUST 24, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, leading them through darkness into light, out of bondage into freedom, and through tragedies into triumph, we pray that we may also experience Thy guiding and sustaining presence in all our struggles.

Thou art acquainted with our needs for this new day and art willing and able to supply them. We do not ask deliverance from its heavy burdens but strength to carry them until they shall cease to be burdensome. We do not seek escape from its perplexing problems but wisdom to find a satisfactory and happy solution. May we never rely upon our own unaided strength and judgment but may we avail ourselves of the eternal companionship and counsel of the Christ.

Help us daily to make some worthy contribution to the final victory of those great moral and spiritual ideals and principles which Thou hast ordained. Enable us to stand courageously against every devastating evil that denies to our humanity the right to life, liberty, and the pursuit of happiness. Grant that we may be partners with all who are now seeking to build a highway where men and nations shall walk together in peace.

In Christ's name we pray. Amen.

## THE JOURNAL

The Journal of the proceedings of Tuesday, August 22, 1944, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 94. Concurrent resolution authorizing the printing of additional copies of Public Law No. 346, current session, entitled "Servicemen's Readjustment Act of 1944."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 23. Concurrent resolution establishing a Joint Committee on the Organization of the Congress.

The message also announced that the Acting President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States

Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of the Navy.
4. Post Office Department.
5. National Housing Agency.
6. Selective Service System.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

## SELECT COMMITTEE TO INVESTIGATE ACTS OF EXECUTIVE AGENCIES BEYOND THE SCOPE OF THEIR AUTHORITY

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that the Select Committee to Investigate Acts of Executive Agencies Beyond the Scope of Their Authority may have until midnight Friday, August 25, in which to file an interim report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

## PATENTS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, in the course of the debate on the disposal of surplus Government property bill, the gentleman from Missouri [Mr. COCHRAN] made a remark to the effect that a number of patents had already been sold by the Alien Property Custodian's Office to which I agreed. I now have a letter from the Office of the Alien Property Custodian commenting on those remarks and stating that as a matter of fact no patents have been sold outright by the Alien Property Custodian; that the only time any patents

have been sold was indirectly when the stock of corporations had been sold, which corporations held the patents, but that otherwise the policy has been pursued—and I quote—"of making patents freely available to American industry."

The text of the letter is as follows:

OFFICE OF ALIEN PROPERTY CUSTODIAN,  
Washington, August 23, 1944.

HON. JERRY VOORHIS,  
House of Representatives,  
Washington, D. C.

MY DEAR CONGRESSMAN: I noticed in the CONGRESSIONAL RECORD of August 22, 1944, on pages 7282 and 7283, a discussion between you and Mr. COCHRAN concerning disposition of patents by the Alien Property Custodian. I was particularly interested in Mr. COCHRAN's statement, with which you agreed, that the Alien Property Custodian has "already sold a lot of patents."

I am enclosing a copy of the annual report of this office for the period from March 11, 1942, to June 30, 1943. I call your attention particularly to the discussion of the disposition of patents beginning at the bottom of page 73 of this report and to the statement on page 74 that "no patents are sold." This was a statement of the policy of the Office of Alien Property Custodian at the time of the annual report, and it continues to be the policy of this office. The present policy for administration of patents on a basis of licensing rather than sale by this office was outlined in general terms shortly after the appointment of Leo T. Crowley as Custodian. On April 27, 1942, Mr. Crowley testified before the Senate Committee on Patents:

"In order to secure the maximum utilization of patents which may come into our possession we propose to make them freely available to American industry. We cannot at this time state exactly the terms under which they will be available. . . . In general, however, no patents will be sold at this time." (Hearings before the Committee on Patents, United States Senate, 77th Cong., 2d sess., on S. 2303 and S. 2491.)

We have followed a policy of issuing non-exclusive licenses to American citizens under seized enemy patents, and have now licensed more than 8,000 patents for use by American industry. In every case, title to the patent is retained by the Custodian.

Up to this time, except in rare instances, the Custodian has not even sold the stock of corporations which hold patents. One corporation which we sold has a few patents. Another American company, of which we sold 50 percent of the stock, owned certain patents, which, however, were already exclusively licensed to the American owner of the other 50 percent of the stock. The only disposition of patents actually vested by the Alien Property Custodian has been the transfer to an American individual of certain patents formerly owned by French nationals which he had a valid and outstanding option to buy, and the purchase price of which he paid to the Custodian.

I am sure that your statement in the RECORD was based on a misunderstanding of the facts, and I wish to give you a correct statement.

Sincerely yours,  
HOWLAND H. SARGEANT,  
Chief, Division of Patent Administration.

# S. 2065

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IN THE SENATE OF THE UNITED STATES

AUGUST 24 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. WEEKS to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

- 1       On page 52, line 4, after "bases" insert a colon and the
- 2 following: "*Provided, however,* That no extension of credit
- 3 shall be for a longer period than five years".



78TH CONGRESS  
2D SESSION

# S. 2065

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## AMENDMENT

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Intended to be proposed by Mr. Weeks to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 24 (legislative day, August 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

---

IN THE SENATE OF THE UNITED STATES

AUGUST 24 (legislative day, AUGUST 15), 1944

Ordered to be printed

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## AMENDMENT

Proposed by Mr. WEEKS to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

- 1 On page 52, line 2, strike out the words "and operation".

8-24-44—E



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## AMENDMENT

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Proposed by Mr. Weeks to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 24 (legislative day, August 15), 1944

Ordered to be printed

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 24 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (S. 2065)  
to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz:

- 1 On page 56, lines 17 and 18, strike out the words
- 2 "and they shall thereafter be put" and insert in lieu thereof
- 3 the following: "but the owning agency or the disposal agency
- 4 is authorized either before or after such legal transfer to
- 5 cause such minerals or metals to be put".



78TH CONGRESS  
2D SESSION

## S. 2065

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### AMENDMENT

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Intended to be proposed by Mr. Tarr to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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AUGUST 24 (legislative day, AUGUST 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

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## IN THE SENATE OF THE UNITED STATES

AUGUST 24 (legislative day, AUGUST 15), 1944

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HAYDEN to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz: On page 48, after line 11, insert the following as a new paragraph:

- 1       (e) In disposing of any surplus lands or other real
- 2 property on or across which highways or streets had been
- 3 established and constructed and were being maintained by
- 4 the States or their political subdivisions at the time such
- 5 lands or other real property was acquired by the Govern-
- 6 ment, and where such highways or streets were vacated,
- 7 destroyed, or shut off from general public use in order to
- 8 meet the requirements and serve the purposes of the Govern-



1 ment, the States or their political subdivisions first shall be  
2 given a reasonable time, to be fixed by the Board, in which  
3 to repurchase the original rights-of-way on which such  
4 highways or streets were established and in which to pur-  
5 chase such new or additional rights-of-way as may be re-  
6 quired for reestablishing, in whole or in part, such highways  
7 or streets of greater width or on new and more adequate  
8 locations, at a price not exceeding that paid therefor by the  
9 Government.





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## AMENDMENT

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Intended to be proposed by Mr. HAYDEN to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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AUGUST 24 (legislative day, AUGUST 15), 1944  
Ordered to lie on the table and to be printed

# S. 2065

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IN THE SENATE OF THE UNITED STATES

AUGUST 24 (legislative day, AUGUST 15), 1944

Ordered to be printed

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## AMENDMENT

Proposed by Mr. DOWNEY to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes, viz: On page 56, after line 7, insert a new subsection as follows:

1       (c) Before any real property which was acquired for  
2 use as a military camp or cantonment is disposed of under  
3 the provisions of section 22 of this Act, an opportunity shall  
4 first be afforded to the State in which such property is located  
5 and to its political subdivisions, including municipalities, to  
6 purchase or lease such real property for public uses at dis-  
7 counts not to exceed 50 per centum of the sale or lease  
8 market value thereof, as the case may be, or 50 per centum  
9 of the highest price offered by any private purchaser or  
10 lessee, whichever is lower.



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## AMENDMENT

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Proposed by Mr. DOWNER to the bill (S. 2065) to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.

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August 24 (legislative day, August 15), 1944

Ordered to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 26, 1944, for actions of Friday, August 25, 1944)

(For staff of the Department only)

SENATE

1. PROPERTY MANAGEMENT. Passed H. R. 5125, the surplus-property bill, with an amendment substituting the language of S. 2065 (pp. 7389-414). Sens. Thomas of Utah, Johnson of Colo., Hill, Chandler, Austin, Gurney, and Revercomb were appointed conferees (p. 7414).

Agreed to the following amendments: By Sen. Downey, Calif., providing that real property, acquired for military camps, shall first be offered to the State and political subdivision thereof in which such property is located (pp. 7391-2); by Sen. Aiken, Vt., "to restrict the sale of presently publicly-owned power lines to private utilities without first giving the States...an opportunity to purchase them" (pp. 7395-6); by Sen. Wherry, Nebr., to provide that proceeds under this act shall be placed "to the credit of a special fund which shall be used exclusively for the reduction of the public debt" (p. 7396); by Sen. Vandenberg, Mich., to direct "the termination agencies...to determine in advance...and to advise the war contractor, respecting the various standard categories into which the termination property is calculated to fall" (pp. 7396-7); by Sen. LaFollette, Wis., to "place rural electrification projects on the same footing with municipalities or State governments in the acquisition of any surplus war property" (pp. 7389-90); by Sen. Johnson, Colo., to include the Contract Settlement Act of 1944 in the list of acts which are not to be modified by the pending bill (p. 7400); by Sen. Taft, Ohio, to authorize the owning agency or the Procurement Division to transfer strategic minerals or metals into forms suited for storage (p. 7400); by Sen. Weeks, Mass., providing that surplus property shall be disposed of by sale, etc., provided that in the case of raw materials, consumer goods, and common supplies credit shall be limited to 3 years (p. 7404-5); by Sen. LaFollette, Wis., to provide for sale or lease to States, etc., of such amounts of surplus property as WPB finds necessary to their essential needs (p. 7405); by Sen. Cordon, Oreg., to provide that the Secretary of the Interior shall sell real property to "the highest bidder whose bid equals or exceeds the appraised value of the property" (p. 7406); by Sen. Langer, N. Dak., to provide that the board shall designate the State AAA committees as the disposal agencies for all farm-sized trucks and jeeps, and shall apportion them for disposal as follows: 1/3 by population; 1/3 by area; and 1/3 by mileage of highways (p. 7407); by Sen. Millikin, Colo., to place soil-conservation districts on a par with local governments in receiving surplus property (p. 7412); by Sen. Danaher, Conn., to authorize the board to empower any owning agency to authorize any contractor with such agency to retain or dispose of any contractor inventories for any other purpose not contrary to the objectives of this act (pp. 7412-3); by Sen. Johnson, Colo., to broaden the definition of the term "contractor inventory" (p. 7413); and by Sen. Cordon, Oreg., to provide for local taxation of real property upon purchase of such property rather than upon physical occupation (p. 7413).



Rejected the following amendments: By Sen. McKellar, Tenn., 18-31, to require inclusion in deeds, etc., transferring real property, of a provision reserving the board's right to examine further transfers (pp. 7290-1); by Sen. Taft, Ohio, to provide that the President shall appoint the chairman of the board, who shall be its administrative director (pp. 7400-3); by Sen. Cordon, Oreg., similar to Sen. McKellar's, above; and by Sen. Weeks, Mass., to prohibit loans, in connection with the operation of plants, as provided herein later than 6 months after such plants have been acquired and converted, and to prohibit such loans from being extended for more than 3 years (pp. 7407-12).

2. **PETROLEUM.** An agreement on petroleum between the United States and Great Britain and Northern Ireland was printed in the Record, at the suggestion of Sen. Connally, Tex., (pp. 7388-9).
3. **ALJOURNED** until Mon., Aug. 28 (p. 7416).

#### HOUSE

NOT IN SESSION. Next meeting Mon., Aug. 28.

4. **PERSONNEL; OVERTIME PAY.** Claims Committee reported (Aug. 24) with amendments H. R. 3608, which grants relief to employees who were paid in violation of the provision in the Overtime Pay Act of 1942 limiting a person's overtime pay to an amount which would not cause him to receive over \$5,000 (H. Rept. 1795).

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For supplemental information and copies of legislative material referred to, call Extension 4654, or send to Room 112, Administration Building. Arrangements may be made to be kept advised of developments on any particular bill.

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such arrangements for the preservation of peace and prevention of aggression as may be in force, adequate supplies of petroleum shall be available in international trade to the nationals of all peaceable countries at fair prices and on a nondiscriminatory basis;

2. That the development of petroleum resources and the benefits received therefrom by the producing countries shall be such as to encourage the sound economic advancement of those countries;

3. That the development of these resources shall be conducted with a view to the availability of adequate supplies of petroleum to both countries as well as to all other peaceable countries, subject to the provisions of such collective security arrangements as may be established;

4. That, with respect to the acquisition of exploration and development rights in areas not now under concession, the principle of equal opportunity shall be respected by both Governments;

5. That the Government of each country and the nationals thereof shall respect all valid concession contracts and lawfully acquired rights, and shall make no effort unilaterally to interfere directly or indirectly with such contracts or rights;

6. That, subject always to the considerations mentioned in paragraph 1 of this Article, the exploration for and development of petroleum resources, the construction and operation of refineries and other facilities, and the distribution of petroleum shall not be hampered by restrictions imposed by either Government or its nationals, inconsistent with the purposes of this Agreement.

#### ARTICLE II

The two Governments recognize that the principles declared in Article I hereof are of general applicability and merit adherence on the part of all countries interested in the international petroleum trade of the world.

Therefore, with a view to the wider adoption and effectuation of the principles embodied in this Agreement they agree that as soon as practicable they will propose to the governments of other interested producing and consuming countries an International Petroleum Agreement which, *inter alia*, would establish a permanent International Petroleum Council composed of representatives of all signatory countries.

To this end the two Governments hereby pledge themselves to formulate plans for an international conference to consider the negotiation of such a multilateral Petroleum Agreement. They also pledge themselves to consult with other interested governments with a view to taking whatever action is necessary to prepare for the proposed conference.

#### ARTICLE III

There are, however, numerous problems of joint immediate interest to the two Governments, with respect to petroleum resources in which rights are held or may be acquired by their nationals, which must be discussed and resolved on a cooperative interim basis if the general petroleum supply situation is not to deteriorate.

With this end in view the two Governments hereby agree to establish an International Petroleum Commission to be composed of eight members, four members to be appointed immediately by each Government. This Commission, in furtherance of and in accordance with the principles stated in Article I hereof, shall consider problems of mutual interest to both Governments and their nationals, and, with a view to the equitable disposition of such problems, shall be charged with the following duties and responsibilities:

1. To prepare long-term estimates of world demand for petroleum, having due regard for the interests of consuming countries and expanding consumption requirements;

2. To suggest the manner in which, over the long term, this estimated demand may best

be satisfied by production equitably distributed among the various producing countries in accordance with the criteria enumerated in paragraph 3 of the Introductory Article;

3. To recommend to both Governments broad policies for adoption by operating companies with a view to effectuating programs suggested under the provisions of paragraph 2 of this Article;

4. To analyze such short-term problems of joint interest as may arise in connection with production, processing, transportation and distribution of petroleum on a worldwide basis, wherever the nationals of either country have a significant interest, and to recommend to both Governments such action as may appear appropriate;

5. To make regular reports to the two Governments concerning its activities;

6. To make, from time to time, such additional reports and recommendations to the two Governments as may be appropriate to carry out the purposes of this Agreement.

The Commission shall establish such organization as is necessary to carry out its functions under this Agreement. The expenses of the Commission shall be shared equally by the two Governments.

#### ARTICLE IV

To effectuate this Agreement the two Governments hereby grant reciprocal assurances:

1. That they will adhere to the principles set forth in Article I, paragraphs 1 to 6 inclusive;

2. That they will endeavor to obtain the collaboration of the governments of other producing and consuming countries in the implementation of the principles set forth in Article I, and will consult, as appropriate, with such governments in connection with activities undertaken under Article III;

3. That upon approval of the recommendations of the Commission they will endeavor, in accordance with their respective constitutional procedures, to give effect to such approved recommendations;

4. That each Government will undertake to keep itself adequately informed of the current and prospective activities of its nationals with respect to the development, processing, transportation and distribution of petroleum;

5. That each Government will make available to the Commission such information regarding the activities of its nationals as is necessary to the realization of the purposes of this Agreement.

#### ARTICLE V

The two Governments agree that in this Agreement:

1. The words "country" or "territories"

(a) in relation to the Government of the United Kingdom of Great Britain and Northern Ireland, include, in addition to the United Kingdom, all British colonies, overseas territories, protectorates, protected States and all mandated territories administered by that Government; and

(b) in relation to the Government of the United States of America, include, in addition to the United States, all territory under the jurisdiction of the United States;

2. The word "nationals" means

(a) in relation to the Government of the United Kingdom of Great Britain and Northern Ireland, all British subjects and British protected persons belonging to the territories referred to in 1 (a) above and all companies incorporated under the laws of any of the above-mentioned territories, and also companies incorporated elsewhere in which the controlling interest is held by any of such nationals;

(b) in relation to the Government of the United States of America, all nationals of the United States including companies incorporated under the laws of the territories referred to in 1 (b) above, and also companies incorporated elsewhere in which the controlling interest is held by any of such nationals;

3. The word "petroleum" means crude petroleum and its derivatives.

#### ARTICLE VI

This Agreement shall enter into force upon a date to be agreed upon after each Government shall have notified the other of its readiness to bring the Agreement into force and shall continue in force until three months after notice of termination has been given by either Government or until it is superseded by the International Petroleum Agreement contemplated in Article II.

In witness whereof the undersigned, duly authorized thereto, have signed this Agreement.

Done in Washington, in duplicate, this eighth day of August, one thousand nine hundred and forty-four.

For the Government of the United States of America:

E. R. STETTINIUS, Jr.,  
Acting Secretary of State of  
the United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

BEAVERBROOK  
Lord Privy Seal

#### VOTING BY SERVICEMEN FROM NEW YORK STATE—EDITORIAL FROM PHILADELPHIA RECORD

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Dewey's Costly Victory—Over New York's Soldiers," published in the Philadelphia Record of August 25, 1944, which appears in the Appendix.]

#### VISIT TO THE SENATE BY HIS EXCELLENCY SVEINN BJORNSSON, PRESIDENT OF ICELAND

Mr. CONNALLY. Mr. President, the President of Iceland is now in one of the anterooms of the Senate Chamber. I ask unanimous consent that the Senate stand in recess subject to the call of the Chair in order that the President of Iceland may come onto the floor of the Senate. Under the rules that is not possible while the Senate is in session.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senate will stand in recess subject to the call of the Chair.

The Senate being in recess, at 12 o'clock and 20 minutes p. m.,

His Excellency Sveinn Bjornsson, President of Iceland, escorted by Senator CONNALLY, and accompanied by Mr. Bjarm Gudmundsson, Chief of Press Section, Foreign Ministry, Mr. Peter Eggerz, secretary to President Bjornsson, Brig. Gen. F. von H. Kimble, United States Army, and Capt. Harry W. Baltazzi, United States Naval Reserve, entered the Chamber.

President Bjornsson was escorted to a position on the floor of the Senate in front of the Vice President's desk and was there greeted by Members of the Senate, who were introduced to him by Mr. CONNALLY.

Following the informal reception, President Bjornsson and the distinguished visitors accompanying him were escorted from the Chamber.

At 12 o'clock and 24 minutes p. m., the Senate reassembled; when it was called to order by the Acting President pro tempore.

#### DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The Senate resumed the consideration of the bill (S. 2065) to establish a Surplus



War Property Administration, to provide for the proper disposal of surplus war property, and for other purposes.

Mr. McKELLAR. Mr. President, when the Senate took a recess yesterday, the amendment offered by the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. McFARLAND], and myself was allowed to go over until today in view of the possibility of agreeing upon an amendment which the Senate generally could support.

The question was submitted to the two members of the staff of legislative counsel who are aiding the Senator from Colorado and other Senators in connection with the bill. Inasmuch as the principal objection raised to the amendment was to the words in the fourth, fifth, sixth, and seventh lines on page 2 of the amendment, those gentlemen suggested that the words "requiring the execution by all subsequent transferors of such property of instruments containing such reservations in connection with all future transfers of such property except transfers to consumers" be stricken out, and that in lieu thereof the following language be inserted on page 2, line 3, after "(B)":

The inclusion in all subsequent transfers of such property, made prior to the expiration of 5 years after disposition of such property under the provisions of this act, of conditions containing such reservations, except transfers to consumers or, in the case of transfers of real property, to persons who in good faith propose to use or occupy such real property.

Mr. President, in view of the fact that the principal objection raised to the amendment was directed at the language to which I have referred, the authors of the amendment have instructed me to modify the amendment as I have indicated. I ask unanimous consent to modify the amendment.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee has a right to modify his amendment, without unanimous consent.

Mr. McKELLAR. I ask that that be done, and that the amendment be considered as modified.

Mr. President, that should satisfy all Senators. The principal objection urged against the amendment was to the language to which I have referred. I believe the Senator from Vermont [Mr. AUSTIN] was opposed to the entire amendment.

The ACTING PRESIDENT pro tempore. The Chair suggests to the Senator from Tennessee that the amendment, as modified, be stated.

Mr. McKELLAR. It should be stated.

The ACTING PRESIDENT pro tempore. The amendment, as modified, will be stated.

The CHIEF CLERK. On page 74, line 16, in the committee amendment, it is proposed to strike out "A" and insert "(a) Except as provided in subsection '(b)' of this section, a."

On page 74, between lines 24 and 25, it is proposed to insert a new subsection, as follows:

(b) (1) All deeds, bills of sale, leases, or other instruments purporting to transfer title

or any other interest in surplus property under this act shall contain provisions (A) reserving to the board the right to examine further transfers of the property covered thereby for the purpose of determining whether excessive profits have been realized by the transferee or any subsequent transferee, and (B) the inclusion in all subsequent transfers of such property, made prior to the expiration of 5 years after disposition of such property under the provisions of this act, of conditions containing such reservations, except transfers to consumers or, in the case of transfers of real property, to persons who in good faith propose to use or occupy such real property.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus property by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the Board determines in accordance with this subsection to be excessive. In determining whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the Board from time to time as adopted.

(3) In any case in which, in the opinion of the Board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the Board shall enter an order determining the amount, if any, of such excessive profits. The Board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Tennessee [Mr. McKELLAR] on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. McFARLAND] to the committee amendment.

Mr. McKELLAR. Mr. President, this amendment is offered in the best of faith for the purpose of protecting the Government. As an illustration of the value of such an amendment, I was told at the breakfast table this morning about a man who had bought a jeep from the Army for \$100 and had resold it to a farmer for \$1,000. I was also told by the same gentleman that he knew of organizations which were being formed for the purpose of buying property from the Government and reselling it at a profit.

There is \$103,000,000,000 at stake. The bill provides that the proceeds from sales are to go back into the Treasury. I am

not sure but that we ought to have a provision—and I may offer such an amendment later—that the proceeds from these sales shall be used to retire Government bonds which have been issued. I think it is time to consider, discuss, and take action upon the question of how we are going to pay the enormous debt which will be piled upon the Nation as a result of this war. The general estimate of what we shall owe is \$300,000,000,000. That is an enormous sum. I am not sure but that proceeds from the sale of surplus property ought to be earmarked and used for the purpose of reducing the immense amount of bonded debt.

As I have previously stated, Mr. President, the Senator from Mississippi, the Senator from Arizona, and I have offered this amendment solely for the purpose of trying to help protect the Government in the sale of surplus property. We have no other desire. We wish to make it perfectly fair. We do not wish to work hardship on anyone. We have no possible reason for offering the amendment except to protect the Government of the United States in the sale of its surplus property. We know that the principle will work, because it has already been tried under the present renegotiation law. We know that that law has worked, and we believe that the amendment would work equally well.

Mr. President, I have nothing further to say about this matter. I believe that the amendment would save the Government billions of dollars, and I hope the Senate will agree to it.

Mr. JOHNSON of Colorado. Mr. President, before the vote is taken on the McKellar amendment, I wish to read into the RECORD a letter received just now from James G. Patton. I am, of course, in hearty accord with Mr. Patton's statement. I cannot speak for the Senate Military Affairs Committee, but as an individual Senator I hope the McKellar amendment will be agreed to. Here is the Patton telegram:

AUGUST 25, 1944.

Senator EDWARD JOHNSON,  
Senate Chamber of the Capitol,  
Washington, D. C.:

The National Farmers Union strongly favors the Stewart-Murray-Johnson-Taft bill governing disposal of surplus property as the bill was reported to the Senate. We favor also the principle embodied in the amendment proposed by Senators McKELLAR, EASTLAND, and McFARLAND and supported by Senator AIKEN and others for the limitation of profits on surplus resales to a reasonable figure. In particular, we should like to express our desire that section 12 be retained in the bill as it now stands. We believe that the ownership by the Government of huge stocks of educational, medical, and other materials and goods suitable for public use presents the Nation with an unparalleled opportunity for raising the standards of living of all the people. It is an opportunity that should not be allowed to slip away. Rural sections are those most in need of improved facilities and services, and section 12 is supported by every farmer in the country who has had a chance to learn about its provisions.

We also wholeheartedly support the farm-land, cooperative, and small-business provisions of the bill, and trust that it will be adopted and adhered to in any subsequent



conference with the House, which has adopted the worse-than-useless Colmer bill.

— JAMES G. PATTON,  
President, National Farmers Union.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Tennessee [Mr. McKELLAR], on behalf of himself, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. McFARLAND], to the committee amendment.

Mr. AUSTIN. Mr. President, I rise only to ask for the yeas and nays. There are not many Senators present.

Mr. McKELLAR. Mr. President, I join in the request for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the senior Senator from North Dakota [Mr. NYE]. Not knowing how he would vote, I withhold my vote.

Mr. WAGNER. I have a general pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Maryland [Mr. RADCLIFFE], and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Kentucky [Mr. BARKLEY] is absent because of illness in his family.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Idaho [Mr. CLARK], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senator from Indiana [Mr. JACKSON], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from Delaware [Mr. TUNNELL], the Senator from Washington [Mr. WALLGREN], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from Texas [Mr. O'DANIEL] and the Senator from Utah [Mr. THOMAS] are detained in Government departments on matters pertaining to their respective States.

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Indiana [Mr. WILLIS], and the Senator from Iowa [Mr. WILSON].

The Senator from New Hampshire [Mr. BRIDGES], who is unavoidably absent, has a general pair with the Senator from Utah [Mr. THOMAS].

The result was announced—yeas 18, nays 31, as follows:

#### YEAS—18

Alken	Hill	McKellar
Andrews	Johnson, Colo.	Overton
Bankhead	La Follette	Pepper
Caraway	Langer	Shipstead
Connally	McClellan	Stewart
Eastland	McFarland	Thomas, Okla.

#### NAYS—31

Austin	Ferguson	Revercomb
Buck	George	Taft
Burton	Guffey	Vandenberg
Byrd	Gurney	Wagner
Capper	Hawkes	Walsh, N. J.
Chandler	Johnson, Calif.	Weeks
Cordon	Maloney	Wherry
Danaher	Mead	White
Davis	Millikin	Wiley
Downey	Moore	
Ellender	O'Mahoney	

#### NOT VOTING—47

Bailey	Green	Robertson
Ball	Hatch	Russell
Barkley	Hayden	Scrugham
Bilbo	Holman	Smith
Bone	Jackson	Thomas, Idaho
Brewster	Kilgore	Thomas, Utah
Bridges	Lucas	Tobey
Brooks	McCarran	Truman
Bushfield	Maybank	Tunnell
Butler	Murdock	Tydings
Chavez	Murray	Wallgren
Clark, Idaho	Nye	Walsh, Mass.
Clark, Mo.	O'Daniel	Wheeler
Gerry	Radcliffe	Willis
Gillette	Reed	Wilson
Glass	Reynolds	

So the modified amendment proposed by Mr. McKELLAR (for himself, Mr. EASTLAND, and Mr. McFARLAND) to the committee amendment was rejected.

Mr. DOWNEY. Mr. President, yesterday I proposed an amendment which would give the States and their political subdivisions the preferential right to purchase surplus military cantonments and fields. In the discussion which followed, several Senators made certain suggestions regarding the amendment of my proposal.

I have now sent to the desk additional language to be inserted at the end of the proposed amendment as it was submitted yesterday. I should like to have that language read. Then, with that addition, I should like to have the Senate pass upon the amendment.

The ACTING PRESIDENT pro tempore. The modification will be read, for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the amendment it is proposed to add the following:

If such real property is not purchased or leased by such State or any of its political subdivisions prior to the adjournment of the

legislature or general assembly in session at the time such property becomes available for disposition, or if such legislature or general assembly is not then in session, prior to the adjournment of the next session thereafter, such real property may be disposed of in accordance with the provisions of section 22 of this act. Any property purchased by a State or political subdivision thereof under this subsection shall be subject to the provisions of subsection (d) of section 12.

So as to make the amendment read:

(c) Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower. If such real property is not purchased or leased by such State or any of its political subdivisions prior to the adjournment of the legislature or general assembly in session at the time such property becomes available for disposition, or if such legislature or general assembly is not then in session, prior to the adjournment of the next session thereafter, such real property may be disposed of in accordance with the provisions of section 22 of this act. Any property purchased by a State or political subdivision thereof under this subsection shall be subject to the provisions of subsection (d) of section 12.

Mr. DOWNEY. Mr. President, as I have already stated, the amendment in this form is acceptable to the Senator from Colorado and other members of the Committee on Military Affairs. I move the adoption of amendment as modified.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. DANAHER. Inasmuch as the word "legislature" is generic in and of itself, and applies to the State's governing body, I would respectfully suggest to the Senator from California that it be retained in the modified amendment, but that in lieu of the words "general assembly" the Senator insert the words "authorized governing body," for the reason that the Senator has made his amendment applicable to the political subdivisions of a State, and it might be that the council of aldermen or other appropriate group or body might make such a decision.

Mr. DOWNEY. I am very happy to have that modification made.

The ACTING PRESIDENT pro tempore. The amendment will be so modified.

Mr. BURTON. Mr. President, will the Senator yield for a question?

Mr. DOWNEY. I yield.

Mr. BURTON. As I understand the effect of the amendment, if the legislature of a given State is not in session, and there is property of this kind to be disposed of within the State, the title will not be cleared until the legislature has been called into session and has adjourned.

Mr. DOWNEY. I would not express it in quite that way. As I understand the effect of the amendment, the State would



not lose its full opportunity to purchase the property until after the legislature was in session and had adjourned.

Mr. BURTON. That would mean that a private purchaser could not afford to buy the property until after the period to which the Senator has referred had expired, and that might take 2 years.

Mr. DOWNEY. That is correct. I believe that this provision of the amendment was suggested by the Senator from Connecticut and other Senators, as well, and I thought it would be a proper provision.

Mr. BURTON. Does the Senator from California feel that a delay of 2 years might be serious in the disposal of property?

Mr. DOWNEY. No; I do not believe so. I think that such a delay would be the maximum delay, and, generally speaking, there would not be even as much delay as that.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the modified amendment of the Senator from California [Mr. Downey] to the committee amendment.

The modified amendment to the amendment was agreed to.

Mr. STEWART. Mr. President, yesterday afternoon shortly before the adjournment of the Senate, certain amendments were acted upon. I refer particularly to one which was proposed by the junior Senator from Massachusetts [Mr. Weeks]. It appears to have been agreed to unanimously. The amendment is set forth on page 7372 of the CONGRESSIONAL RECORD of yesterday, August 24. It would appear on page 50 of the bill, after line 19, and read as follows: "Provided, however, That no extension of credit shall be for a longer period than 5 years."

Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the amendment was agreed to.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Tennessee? The Chair hears none, and it is so ordered. The amendment is again before the Senate.

Mr. STEWART. I shall discuss the amendment later, Mr. President.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Massachusetts to the committee amendment.

The amendment to the amendment was agreed to.

Mr. TAFT. Mr. President, may we have the amendment stated?

Mr. STEWART. Mr. President, I asked to be allowed to discuss the amendment later. I should like to talk about it before it is voted upon. I did not understand that it would be called up for immediate consideration.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Tennessee.

Mr. STEWART. Am I to understand that the Chair submitted my unanimous-consent request for reconsideration of the vote by which the amendment was passed?

The ACTING PRESIDENT pro tempore. The unanimous-consent request

was granted, and then the question arose on agreeing to the amendment.

Mr. STEWART. I should like to discuss the amendment before a vote is taken.

The ACTING PRESIDENT pro tempore. Without objection, the vote by which the amendment to the amendment was agreed to is reconsidered, and the amendment is again before the Senate. The Senator from Tennessee may proceed.

Mr. STEWART. Mr. President, the amendment to which I refer appears on page 50 of the bill at the end of line 19. It comes under section 14 entitled "Small Business." The proposed amendment would entirely hamstring small business concerns of the country in their effort to enter into competitive bidding for surplus war property. The provision with respect to small business does not place any time limitation whatever upon the guaranty of a loan in behalf of small business.

As I have already said, the amendment was added at the end of subparagraph (3) of section 14, which reads as follows:

(3) In appropriate cases in the discretion of the agency or the board, arrange for sales on credit or time bases, or such other terms or conditions as will preserve the competitive position of small business enterprises in the purchase or acquisition of surplus property and accord them a fair opportunity for the acquisition thereof.

The amendment immediately followed that language and read as follows: "Provided, however, That no extension of credit shall be for a longer period than 5 years."

If the loan were to be limited to a period of 5 years it would not accomplish the purpose of the subparagraph which I have read. It would not preserve the competitive position of small business enterprises in the purchase or acquisition of surplus war property, or accord to them a fair opportunity for the acquisition of such property. There conceivably might be many instances of small business concerns being anxious to purchase Government plants, the price of which might be within their reach, and not be able to repay the loan within the period which would no doubt be set forth in the application, or at least not within 5 years. There might be cases in which the purchasers would not be able to pay such loans even within 10 years.

The matter as it now stands is in the discretion of the Smaller War Plants Corporation, which has authority to guarantee loans made by lending agencies, private or otherwise. It could certainly be said that not to place a limitation of time in the bill would not be sound business, because in some cases the Smaller War Plants Corporation might aid in the negotiation of the sale of a small war plant to a small business concern in the manner provided for by the act. I have reference now to undertaking to guarantee the payment, for example, to a private banking concern. Sound and good business methods should enter into such a situation, because private business concerns would not be desirous of making loans of this char-

acter unless they had at least the aspect of soundness.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. STEWART. I will yield in a moment.

If an arbitrary limitation of 5 years should be provided by the statute, it is conceivable that a private banking institution might foresee the impossibility of a small concern paying for the property within a short length of time and thus the opportunities afforded under the proposed act would be destroyed.

Mr. WEEKS. Mr. President, will the Senator yield to me?

Mr. STEWART. I yield to the Senator from Massachusetts.

Mr. WEEKS. I do not believe the distinguished Senator from Tennessee and I are as far apart as we might think we are with respect to the amendment agreed to yesterday. The amendment would limit credit to 5 years when it was arranged in accordance with the purchase or acquisition of surplus war property.

Mr. President, as I see it, in paragraph (f) on page 51 of the bill surplus war property, plants, and facilities are set apart and distinguished. In paragraph (f) there is specific provision for loans for acquisition and conversion of plants and facilities. Later in the same paragraph there is reference to credit in connection with sales of surplus property.

I believe that in subparagraph (3) on page 50 of the bill the limitation on the duration of credit, which I think to be proper, applies not to plants and facilities, but to other surplus property in the hands of the owning agencies concerned. I do not believe that the distinguished Senator from Tennessee would object to having some limitation placed upon the duration of credit for the purpose of purchasing surplus war property, plants, and equipment which would go with the plants. That is the definition which I should like to make.

Mr. STEWART. Mr. President, I invite attention of the distinguished Senator from Massachusetts to the definition of surplus property appearing on page 76 of the bill, reading as follows:

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 9 of this act.

That is in conflict with the section the Senator has just read. I think under this proposed act anything, even land, might be declared to be surplus property; a plant itself might be surplus property, and I think definitely it would be under the provisions of the Senator's amendment.

Mr. JOHNSON of Colorado and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER (Mr. McKellar in the chair). Does the Senator yield, and, if so, to whom?

Mr. STEWART. I yield first to the Senator from Colorado.

Mr. JOHNSON of Colorado. I want to find out first how the proposal applies. It seems to me now that it ap-



plies only to small business. If there should be a limitation on credit, the limitation should be to every kind of business and to all parts of the bill pertaining to credit. It does not seem to me that we should single out small business and put a 5-year limitation on the surplus property which small business buys and leave credit wide open in the remainder of the bill.

Mr. STEWART. This bill does not undertake, as I understand, to lend money to any concern except a small business concern.

Mr. JOHNSON of Colorado. It gives the Board the right to sell for cash or for credit.

Mr. STEWART. But it does not permit the Smaller War Plants Corporation to lend money except to small business concerns. It is limited strictly to small business concerns.

Mr. JOHNSON of Colorado. This particular section, section 14 (a), and subdivisions 1, 2, and 3, do not have anything to do with the Smaller War Plants Corporation. They pertain to the Board. On line 21, page 49, it says, "It shall be the duty of the Board, and it is hereby authorized and directed" to do certain things.

Mr. STEWART. Under the general wording of the act, in the case of small business, arrangements would be made through the Smaller War Plants Corporation, would they not?

Mr. JOHNSON of Colorado. That may be, but the loans provided for are loans that are authorized by the Board.

Mr. STEWART. Yes; by the Board, which will administer this proposed act.

Mr. JOHNSON of Colorado. What bothers me in respect to the amendment is, Does it apply only to credit that is given small business or does it apply to other credits that may be arranged?

Mr. STEWART. I think it does, because we should read the entire section 14; it has to be construed as an entirety. Section 14 begins:

Sec. 14. (a) It shall be the duty of the board, and it is hereby authorized and directed to devise ways and means and prescribe appropriate regulations and directives, to prevent any discrimination against small business in the disposal and distribution and use of any Government property covered by this act. To that end the board shall cause the disposal agencies to adopt and pursue the following measures.

Then it proceeds to specify them. It refers to small business and nothing else. That is all that is brought under that section. But paragraph (3) of section 14 specifically refers again to small business, and states, as I read a moment ago:

In appropriate cases in the discretion of the agency or the board, arrange for sales on credit or time bases—

To whom? To small business. Why? Because it says:

or such other terms or conditions as will preserve the competitive position of small business enterprises.

Mr. JOHNSON of Colorado. But the Senator misses the point I am trying to make, which is that it is a specific limitation to small business and does not apply to any other disposal.

Mr. STEWART. It does not apply to any other disposal, but what would be most seriously affected would be small business, because in most instances certainly it is conceivable, I think, that small business would be the one to need loans and assistance and help.

Mr. ELLENDER and Mr. HILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and, if so, to whom?

Mr. STEWART. I yield first to the Senator from Louisiana.

Mr. ELLENDER. I gather from the statement just made by the Senator from Massachusetts that it was his idea to limit credit insofar as movable property was concerned, and it was not to apply to plants or real estate.

Mr. STEWART. I do not believe it can be divided in that way in view of the definition of surplus property contained in the bill.

Mr. ELLENDER. It may be possible to do it by amendment. I am going to ask the Senator whether or not he does not think it would be fair to place on credit insofar as the sale of movable property is concerned a limitation of 5 years and in the case of real estate or the sale of plants let the question of credit be left to the discretion of the board.

Mr. STEWART. I do not quite understand the Senator; I fail to follow him.

Mr. ELLENDER. In the list of surplus property there will be quite a lot of movable property, as well, of course, as real-estate, plants, and so forth. So far as the sale of plants is concerned, or real estate, it strikes me that it might be a good idea to leave the question of credit, that is, the length of time in which the purchase price may be repaid, to the board; but, insofar as the sale on credit of movables is concerned, it strikes me that we should write into the bill a limitation on credit. I believe that a limitation of 5 years on credit, insofar as movable property is concerned, might be advisable.

Mr. WEEKS. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. STEWART. I yield.

Mr. WEEKS. Does not the Senator from Tennessee consider that in paragraph (f) on pages 51 and 52 there is a distinction, because it refers to loans for the acquisition of plants and facilities, while later in the same paragraph, in effect, other types of surplus property are separated.

Mr. STEWART. Paragraph (f) refers to the Smaller War Plants Corporation, in cases where they step in and undertake to aid small business. If the Senator's amendment is adopted as it reads, placing a limitation on the extension of credit to 5 years in all cases where the board undertakes to arrange for a sale, would that not be an interference with the operations of the Smaller War Plants Corporation?

Mr. WEEKS. In making loans on plants or to help acquire plants?

Mr. STEWART. Yes; or in any instance.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I should like to finish this colloquy, because I want to understand what is in the mind of the Senator from Massachusetts, and I want to make plain, if I can, what is in my mind.

Mr. WEEKS. There are two types of surplus property—plants and facilities. I am willing to concede there may be reason in the case of some classes of property to require a more extended credit than there would be in the case of raw materials such as wool or an article that is immediately consumable. Therefore, if on surplus property other than plants and heavy equipment we can put a limit on the extension of credit, I think that what is in my mind would be satisfied.

Mr. STEWART. Let me read section (f); it is short:

(f) The Smaller War Plants Corporation—

It is dealing with the Smaller War Plants Corporation, and not the Board—is hereby authorized, for the purpose of carrying out the objectives of this section—

We are still dealing with section 14—to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

That refers not only to plants and facilities but to all surplus property and surplus property might be anything. Under this act as I read it, it might be a plant; it might be real estate; it might be movable goods; it might be cotton; it might be wool, or it might be any kind of property that is declared surplus by the agency or the Board.

Mr. WEEKS. Would the Senator agree to an amendment to the amendment so as to provide an additional qualification, namely, "surplus property other than plants and equipment?"

Mr. STEWART. Let me ask the Senator a question. Would the Senator consider that his amendment, which would appear in section 14, after paragraph (3), to be a limitation upon the provisions of section (f) which I have just read and which is in the same section 14?

Mr. WEEKS. Personally I would not, because I would interpret the words "surplus property" in paragraph (3) on page 50 to have the same connotation they have in paragraph (f) on page 52. But I am quite content to qualify the term "surplus property" by excluding plants and heavy equipment or plants and equipment.

Mr. STEWART. The purpose of the Senator's amendment then is to apply only to movable property; not to apply to plants or to real estate.

Mr. WEEKS. To consumable property, so to speak.

Mr. STEWART. The Senator wants it to apply only to consumable property.

Mr. WEEKS. Consumable property other than plant or land or the heavy equipment which may be purchased in order to get it out of production.



Mr. ELLENDER. Which would also include many tools with which to make consumer goods?

Mr. WEEKS. Smaller tools are generally considered consumable property.

Mr. STEWART. The Senator from Massachusetts is a businessman and I am not. I have always understood that the tools of larger nature and machinery are often sold on an amortization basis of perhaps 10 years.

Mr. WEEKS. Equipment of a permanent or semipermanent nature is generally considered to be heavy equipment, and is depreciated on the fixed basis determined by the Bureau of Internal Revenue. Small tools in any business statement are generally handled more or less as consumable property.

Mr. STEWART. Consumable in its use, like money.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STEWART. I yield to the Senator from Alabama.

Mr. HILL. The Senator had in mind excluding land from this provision, because whereas this section appears under the heading "Small business," the section might perhaps well be construed to apply not only to small business but to landowners and everybody else.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. CONNALLY. I wish to ask the Senator from Alabama a question. In the case of lands which have been taken over by the Government for camps or plants or anything of that kind, is there any provision made in the bill that in the disposition of such lands preference shall be given to the original owners?

Mr. STEWART. Oh, yes.

Mr. CONNALLY. Frequently farmers who had their homes on their land willingly let the Government have them, but now when the question of resale arises the former owners should have preference. The land ought not to be turned over to land speculators who would hold it up and profiteer in selling to the former owners. That matter must be handled very carefully.

Mr. STEWART. The Senator from Kentucky [Mr. CHANDLER] wishes to comment on the Senator's question.

Mr. CHANDLER. Mr. President, I am as deeply concerned as any other Senator respecting that matter. There is a section in the bill which requires that the original owner shall be given first opportunity to repurchase the land, and then his lineal heirs, and then tenants, and then veterans. As the Senator from Texas well knows, in his section of the country, as well as in Kentucky, existing Army camps were greatly expanded to accommodate the armored divisions, and in many cases actually good farm land was taken out of production, people who had lived in those communities all their lives were uprooted and moved away, and of course they would like to come back to the places of their birth, and get back their own property, which is good agricultural land and capable of producing good crops. They would like to come back to the places where they have their churches and schools and where their

children were born. Under the provision they will have the highest priority to purchase the land, the highest right to purchase it. I think the position taken by the Senator from Texas is sound, and I will say that the bill provides adequate safeguards.

Mr. HILL. The bill not only gives the original owners the high priority, but it even provides in subparagraph (5) on page 62 with respect to purchase price, so as to safeguard the original owner from having to pay a high speculative price.

Mr. CONNALLY. I was coming to that.

Mr. HILL. We endeavor to make sure that not only shall the former owner have the prior right to purchase, but that he shall also have the right to purchase at a fair and reasonable price, and not at a high, speculative price.

Mr. CONNALLY. I was going to suggest, Mr. President, that the bill, in addition to a blanket priority, ought to provide for terms and conditions which the ordinary man can meet. I have already received many letters from people who are interested in repurchase by the original owners of these lands. In my State, as I am sure is true in the Senator's State of Alabama, great areas have been taken over for temporary military establishments. When they are abandoned or released, the former owners should not only be given priority, but the terms should be such as to make possible the repurchase. The Senator is correct in the view that speculation should be excluded. Land operators should be more or less excluded.

Mr. HILL. I may say to the Senator from Texas that the Committee on Military Affairs shared his view about the matter of the disposition of lands, and endeavored to write its views in the bill, giving prior right to the original owner, providing for the payment of a fair price for the property, and then providing that if the owner is dead, his heirs shall have the right to exercise the priority, and then the committee even went a step further and provided that if the owner did not want the land, or if he was dead and his heirs did not want the land, tenants who had been on the land should have a prior right to purchase it.

Mr. CHANDLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHANDLER. Yesterday, the Senator from California [Mr. DOWNEY] offered an amendment which would have limited the priority to owners and their lineal heirs, and to tenants. I inquire if that amendment has been passed upon. The amendment offered by the Senator from California is as follows:

(c) Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest

price offered by any private purchaser or lessee, whichever is lower.

Has that amendment been agreed to by the Senate?

The PRESIDING OFFICER. That amendment was considered earlier today, modified, and, as modified, agreed to.

Mr. STEWART. May we have the amendment, as modified, stated? It will answer the question asked by the Senator from Texas.

Mr. CHANDLER. Yes; let the amendment be stated. I am anxious to know what the scope of the amendment is, as it was modified.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, after line 7, the following new subsection was inserted:

(c) Before any real property which was acquired for use as a military camp or cantonment is disposed of under the provisions of section 22 of this act, an opportunity shall first be afforded to the State in which such property is located and to its political subdivisions, including municipalities, to purchase or lease such real property for public uses at discounts not to exceed 50 percent of the sale or lease market value thereof, as the case may be, or 50 percent of the highest price offered by any private purchaser or lessee, whichever is lower.

Mr. CHANDLER. Because of the adoption of that amendment I will have to revise the statement I made a while ago in answer to the question of the Senator from Texas, and say that municipalities and local governments have the first opportunity, and that their priority is even higher than that of the original owner.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. HILL. I think it ought to be brought out in connection with the adoption of the amendment that although the State and political subdivisions thereof would have a higher priority to buy a military camp or cantonment, they would have to buy it for public use. In other words, they could not buy it to sell to someone else. They would have to buy it for public use. Furthermore, the amendment follows a policy which the Congress established some years ago. There were a number of old and obsolete forts and military reservations, as I am sure the Senator from Texas will recall, for which the Federal Government had no further use. Congress provided for the sale of those old forts and military reservations, and in making provision for their sale the States and the political subdivisions of the States were given the prior right to purchase, provided, of course, the land was purchased by the State or a political subdivision thereof to be used for a public purpose, to be used for all the people, so to speak.

Mr. STEWART. Mr. President, I wish to make a statement with respect to the amendment of the Senator from Massachusetts [Mr. WEEKS] in connection with which I made a motion to reconsider. We are undertaking to work



out a modification of that amendment which we hope will be satisfactory, and I now ask that the pending amendment be passed over for the present. We shall call it up for consideration within an hour or so.

The PRESIDING OFFICER. Without objection, the pending amendment will be temporarily laid aside.

The Chair wishes to say that he is informed by the Chief Clerk that he did not read the modification of the Downey amendment.

Mr. STEWART. Mr. President, the discussion had drifted rather far afield. That has no connection with the motion to reconsider. Consent has been granted that the amendment offered by the Senator from Massachusetts [Mr. WEEKS] be passed over for an hour or so, when it may be called up again.

Mr. CHANDLER. Mr. President, I ask that the clerk read the modification of the Downey amendment.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

If such real property is not purchased or leased by such State or any of its political subdivisions prior to the adjournment of the legislature or general assembly in session at the time such property becomes available for disposition, or if such legislature or general assembly is not then in session, prior to the adjournment of the next session thereafter, such real property may be disposed of in accordance with the provisions of section 22 of this act. Any property purchased by a State or political subdivision thereof under this subsection shall be subject to the provisions of subsection (d) of section 12.

Mr. CHANDLER. Mr. President, that would mean that if the property were declared surplus, and were susceptible of disposition, the State legislatures in the several States would have to take appropriate action to acquire the property for the State, or assist in acquiring it for State or municipal purposes. Then the original owners would have to wait until that priority had been exercised. If the legislature had adjourned and no arrangement had been made to acquire the property for State or municipal purposes, the original sections of the bill would become effective, and original owners, their lineal heirs, tenants, and veterans, in that order, would have preference. In some cases they would be the same persons. But they would have priority in the purchase of the land. We were anxious to have such preferences established for the reasons which I indicated a few moments ago. I do not feel like objecting to having use made of the land for the public welfare.

Mr. AIKEN. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The amendment offered by the Senator from Vermont will be stated.

The CHIEF CLERK. On page 48, after paragraph (d) of section 12, in the committee amendment, it is proposed to insert a new paragraph (e) reading as follows:

(e) Whenever any State or subdivision thereof, or any State or Government agency certifies to the Board that any power trans-

mission lines determined to be surplus property under the provisions of this act is needful for or adaptable to the requirements of any Federal, State, municipal, or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than 1 year, or otherwise disposed of, except as provided in sections 11 and 12, unless specifically authorized by act of Congress.

Mr. AIKEN. Mr. President, I believe that the purpose of the amendment is undoubtedly clear. It is to restrict the sale of presently publicly owned power lines to private utilities without first giving the States and municipalities an opportunity to purchase them. At first glance one might think that such lines are already fully protected, but it so happens that during the past few years the Defense Plant Corporation has built some very valuable high-tension lines, some of them costing millions of dollars. I understand that they are now held in the name of the Defense Plant Corporation, and are subject to being sold as surplus property unless protected. It seems to me that the States in which such lines are located, and the municipalities in such State should have the first opportunity to purchase them.

As an example of one such line, I submit the following:

During the spring and summer of 1941 the Power Authority of the State of New York, foreseeing a shortage of power for aluminum production in the St. Lawrence River Valley, cooperated with the Corps of Engineers, United States Army, and other Federal agencies in plans for construction of a power transmission line to carry steam-generated power from New York City to the shortage area.

It was an integral part of this plan that any line erected with the use of public funds should be so designed that it would serve, after the defense emergency, for peacetime distribution of St. Lawrence power upon the completion of the St. Lawrence seaway and power project. It was also a basic condition of this plan that the line, when built with the use of public funds, should remain under public ownership, operation, and control and should not be permitted to pass into the hands of any private utility or power corporation.

The first section of this line was built in 1942, and in June of 1942 went into operation supplying power from Taylorville, N. Y., to Massena, N. Y., at which latter point the Government had built an aluminum reduction plant with a capacity of 96,000,000 pounds a year.

The Taylorville-Massena transmission line was built by the Corps of Engineers, United States Army, in record time to serve the aluminum plant during the emergency. The line is 77 miles long. It is a double-circuit, 230,000-volt line, and during 1942 and 1943 carried 100,000 kilowatts from the Taylorville switching station to the Government's aluminum plant at Massena. The cost of the line was about \$3,000,000, provided out of public funds supplied by the Defense Plant Corporation.

The Defense Plant Corporation in 1942 allocated \$11,500,000 of additional funds

to design extensions of this line and to acquire rights-of-way from Taylorville to New York City.

On the express condition that the transmission line should be retained under public ownership and should be available for the distribution of St. Lawrence power, when the St. Lawrence development was completed, the project for construction of the line was recommended by the following public agencies and Federal and State officers:

Power Authority of the State of New York, September 20, 1941.

Governor of New York, Hon. Herbert H. Lehman, September 3, 1941, and December 2, 1941.

Lieutenant Governor of New York, Hon. Charles Poletti, December 4, 1941.

United States Senator ROBERT F. WAGNER, of New York, December 2, 1941.

President Franklin D. Roosevelt, letter to Senator WAGNER and the Office of Production Management, November 21, 1941.

Report of the Federal Power Commission, November 19, 1941.

Lt. Gen. William S. Knudsen, the Director General of the Office of Production Management, December 6, 1941.

Under Secretary of War Robert P. Patterson, December 16, 1941.

The transfer of the St. Lawrence power transmission line to a private utility or power corporation would dissipate some of the principal public benefits of the St. Lawrence development in advance of its construction.

It would turn over for private exploitation and profit a new and useful facility constructed wholly on public initiative with the use of public funds.

It would take advantage of the patriotic and public-spirited generosity of thousands of farmers and property owners in northern New York, who immediately after Pearl Harbor permitted the use by the Army engineers of farm lands and other property for right-of-way for this line at nominal compensation.

The disposal of this line to private interests would also violate a statute enacted by the Legislature of the State of New York, before the line was built, to facilitate its construction. This act permitted the Corps of Engineers to extend the right of way across reforestation lands of the State which had always theretofore been protected against use for the construction of the lines of private power corporations.

This act provided that the conservation commissioner of the State of New York "when so requested by an agency of the United States Government in the interest of national defense" might "permit the construction, maintenance, and operation by any duly constituted agency of government, of roads, highways, power transmission lines, and airway beacons, under, upon, over and across" reforestation lands of the State.

It is not the purpose of this amendment to restrict in any way the sale of transmission lines which are immediately adjacent to plants which might be sold, or upon the property of plants which might be sold, but simply to cover situations such as the one which exists in New York, and I understand also in some other States of the Union.



When such lines which have been built by public initiative and with public funds are sold the State should be given the first opportunity to purchase them.

Mr. HILL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HILL. The amendment would merely give to the States the prior right to purchase, would it not?

Mr. AIKEN. That is all that is intended.

Mr. HILL. I hope the Senator's amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WHERRY. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 72, line 15, in the committee amendment, it is proposed to strike out the words "as miscellaneous receipts" and insert in lieu thereof "to the credit of a special fund which shall be used exclusively for the reduction of the public debt."

Mr. WHERRY. Mr. President, the recommendation in the Baruch report has this to say with reference to where these funds shall go and what shall be done with them:

All of the war surpluses will have been paid for by the American public either through war taxes or the increase in the national debt. Therefore, the proceeds of all sales should go to reduce that debt, lowering the post-war carrying charges which will have to be met through taxation. Certainly no agency should be permitted to sell surpluses and use the proceeds for other purposes.

The fact that surplus sales will lower the debt dramatizes an important point which some business groups are inclined to forget. The net result of an effective disposal program will aid all business, which is an important consideration to be balanced against the possible short-term effects of individual sales.

Mr. President, I feel that this is not a restriction, but a proper safeguard, and that the money should be used for the purpose of retiring the public debt. I ask that the amendment be adopted.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. JOHNSON of Colorado. I have no objection to paying off the national debt, or to anything which would assist along that line. I am very much in favor of it. However, as I understand the amendment offered by the Senator from Nebraska, it seeks to place a limitation on Congress. Congress is the only body upon which any limitation is sought to be placed. Of course, a future Congress could change that provision very easily. It is a limitation on Congress rather than a limitation on any other agency, as I interpret it.

Mr. WHERRY. I thank the distinguished Senator for his remarks. How-

ever, I disagree with him. I do not believe that the amendment would be a limitation on Congress. The amendment directs that the funds shall go toward payment of the national debt. If a future Congress should wish to make some other provision, of course, that would be within its province; but I feel that the proceeds from the sale of surplus property should be used for no other purpose than to reduce the public debt.

Mr. JOHNSON of Colorado. That is a fine purpose, with which I wholeheartedly agree; but the bill as now written provides that the money shall go into the general revenue fund. Only Congress has the power to divert that money from the Treasury. Therefore I believe that the amendment would be a limitation upon Congress.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AUSTIN. There are provisions for the management of the disposal of surplus property which involve the use of money. They are to be found on pages 72, 73, and 74 of the bill. There are foreseeable and necessary uses of money. For example, subsection (c) provides:

To the extent authorized by the board, any Government agency disposing of property under this act (1) may deposit, in a special account with the Treasurer of the United States—

That is to say, not with the general fund—

such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. WHERRY. I yield.

Mr. TAFT. I had the same concern. But upon examining the amendment, I found that it would change only the words "miscellaneous receipts," in line 15, and would leave untouched the words "except as provided in subsections (b), (c), and (d) of this section." Those words would not be modified in any way, as I understand the matter.

Mr. WHERRY. That is correct.

Mr. AUSTIN. That meets my question.

Mr. President, now let me ask the Senator what the amendment would do.

Mr. WHERRY. The amendment would simply strike out the words "miscellaneous receipts" in line 15 on page 72, and in lieu thereof the following words would be inserted: "to the credit of a special fund which shall be used exclusively for the reduction of the public debt."

Then the language would continue as it is now—"except as provided in subsections (b), (c), and (d) of this section." The amendment would not disturb those.

Mr. President, I ask for the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska, to the committee amendment.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated, for the information of the Senate.

Mr. VANDENBERG. Before the amendment is stated, I should like to explain it, because a reading of the amendment would scarcely disclose clearly the purpose, inasmuch as the amendment is largely technical.

Mr. President, in the process of reconversion the primary action necessary in order to speed the process is the clearance of plants after the termination of contracts. In anticipating the clearance of plants, the procurement agencies are now starting to attempt to earmark various properties—machinery, commodities, and so forth—which will fall into the various categories which will be involved in the subsequent negotiations. It will tremendously facilitate contract termination and the disposition of termination inventories if, so far as possible, these identifications may be made in advance, and as rapidly as possible. There is no disagreement on this subject between industry and the termination agencies. Industry, through its representatives, has discussed this process with representatives of the Senate Committee on Military Affairs, and I am advised that a substantial meeting of minds occurred. I regret the absence today of the junior Senator from Montana [Mr. MURRAY], who, I am advised, is in substantial agreement with what I am saying.

Therefore, I am offering an amendment which does nothing more than put the encouragement of law behind the process which has now been started, and which directs the termination agencies to the greatest extent practicable—that is the sole authority involved—to determine in advance of the termination of any contract, and to advise the war contractor, respecting the various standard categories into which the termination property is calculated to fall.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JOHNSON of Colorado. I have no objection to the amendment. In fact, I have great sympathy with its purposes. However, yesterday during the debate over contractor inventories, I agreed to an amendment on page 75, line 9, adding the words "the Contract Settlement Act of 1944," so as to provide that it would be one of the laws which would not be interfered with by this act.

As I understand the Senator's amendment, in reality it would amend the Contract Settlement Act of 1944. So, if his amendment is to be adopted, I had better not agree to have inserted on page 75 the words "the Contract Settlement Act of 1944," which I agreed to do yesterday.

Mr. VANDENBERG. Mr. President, I would not wish to have the Senator alter



the agreement he made yesterday. But I think that, upon reflection, he will find there is no relation between that agreement and the amendment we are proposing, because we are not amending the Contract Termination Act in any way, so far as I know, but are merely adding the provision that the process of making termination inventories shall be speeded up by advance identifications.

Mr. JOHNSON of Colorado. Then I have no objection to having the amendment adopted.

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have the amendment printed in the RECORD without reading, since it is merely technical in its language.

The PRESIDING OFFICER. Without objection, the amendment to the committee amendment will be printed in the RECORD, without reading.

The amendment proposed by Mr. VANDENBERG to the committee amendment is as follows:

#### TERMINATION INVENTORIES

(A) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that, so far as possible, decisions should be made in advance of termination for the disposition and removal of the same without delay when termination occurs. While measures should be taken to realize the greatest possible value of termination inventories, nevertheless a large part of these inventories, notwithstanding the cost of production, are or will be of no further military use and cannot be used economically in civilian production.

The contracting agencies are therefore directed to the greatest extent practicable to determine in advance of the termination of any war contract and advise the war contractor:

(1) To what extent termination inventories are or will be needed for military purposes.

(2) What part of the termination inventory, not needed for military purposes, has any other clearly foreseeable use.

(3) What part of the termination inventory, not needed for military purposes, and having no other clearly foreseeable use (either because of the peculiar qualities or characteristics of the items involved or because the quantities available of such items are in excess of amounts for which such clearly foreseeable further use exists) shall be classified as scrap.

(4) The methods of handling, storing, and disposing of the different classifications of the termination inventory. To the extent that it shall be impracticable to make the foregoing determinations and to advise the war contractor in advance of termination, the contracting agencies shall be prepared to make such determinations and give such advice at the earliest practicable moment after termination of the war contract.

(B) The Board and Director of Contract Settlement are hereby directed to collaborate for the purpose of achieving the objectives set forth in section (A) above and of section 11 (A) (3) of the Contract Settlement Act of 1944.

(C) The terms "contracting agency" and "termination inventories" shall have the meaning assigned to such terms under section 3 of the Contract Settlement Act of 1944.

Mr. AUSTIN. Mr. President, in this connection I suggest that there be printed in the RECORD subsections (b) and (e) of section 12 of Public Law 395, Seventy-

eighth Congress, being an act entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes." The subsections to which I refer appear on pages 11, 12, and 13 of the act, as printed. If such permission is granted, I shall not take the time of the Senate to read the subsections. They show that the pending amendment supplements the existing law.

Mr. VANDENBERG. I shall be very glad to have that done.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### REMOVAL AND STORAGE OF MATERIALS

##### SEC. 12. \* \* \*

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this act.

(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Does the Senator from Michigan know at what place in the bill his amendment should be inserted?

Mr. VANDENBERG. I suggest that it be inserted at the proper place. I am not ready to identify the proper place at the moment.

Mr. AUSTIN. Mr. President, the bill contains a basket of miscellaneous provisions into which it might well go.

#### O. P. A. ORDERS ON OATS AND BARLEY

Mr. LANGER. Mr. President, on July 27, just about the time when the farmers of my State were commencing to thresh barley and oats, the Office of Price Administration lowered the price of oats 5 cents a bushel, reducing it from 66 to 61 cents, at Fargo, N. Dak. This arbitrary reduction without hearing on the part of the producers of oats, took away about 8 percent of what the farmer anticipated he would get in order to pay for raising this crop. I might add that the cost of labor was not decreased 8 percent, nor was the cost of gasoline decreased 8 percent, the cost of farm machinery was not decreased 8 percent, the cost of all the other things for which the farmer must pay was not decreased 8 percent. But without any notice to the farmer, 5 cents a bushel was just arbitrarily taken off the price he was to get for his oats. At the same time, under lend-lease, food, grain, and farm machinery were continued to be sent free to foreign countries at the expense of the farmer-taxpayers of the country.

However, this was not the only ruling made. On about the same day the Office of Price Administration at just the moment when the farmer was going to thresh his barley, issued a ruling—Document No. 35120—that barley containing in excess of 20 percent trebi should not come under the definition of "malting barley," which means the barley the buyer intends to use for manufacturing into barley malt or to resell for use for that purpose.

Immediately, I commenced to receive telegrams from elevator men all over the State of North Dakota, who advised me that they were anxious to get their farmer customers the top price for barley, but that by virtue of this order the farmer was being robbed of 15 or 20 cents a bushel on his barley. I promptly took up this matter with the War Food Administration. I am happy to state that after a week of dickering I was advised this morning by Mr. Gus Geissler, of the A. A. A., Agriculture Department, that the War Food Administration had recommended to the Office of Price Administration that this ruling be changed, and that the Office of Price Administration over the telephone has agreed to withdraw this definition. If it will do this, it will mean hundreds of thousands of dollars for the farmers, to which the farmers are justly entitled.

What particularly impressed me, Mr. President, was that this morning I received from the Equity Cooperative Exchange, of Hettinger, N. Dak., a letter to them from one of the leading commission firms of Minneapolis. The letter advised that a carload of barley had arrived in Minneapolis, the barley being grade 1, but carrying the notation "excess 20 percent Trebi," and that the Federal inspectors saw fit to sustain this notation. For that reason the barley had to be sold for feed only. This grain firm said "calling this kind of barley Trebi is a rank injustice, but our hands are tied."



Mr. President, this morning I telegraphed this company at Minneapolis asking whether I might use its name. "If I am given such permission, I shall make a further talk upon this subject upon the Senate floor, with the suggestion that the grain commission firm in Minneapolis which has had the courage to fight in order that the farmer may obtain the price to which he is entitled for his barley should receive a letter of commendation from the Secretary of Agriculture or, better still, a medal, because it is certainly entitled to one. There is evidence of a determination on the part of at least one commission firm to see to it that when a producer has been mulcted he will have a friend in the form of a commission merchant holding membership on the grain exchange in Minneapolis.

Mr. HAYDEN. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. Austin in the chair). The amendment will be stated.

The CHIEF CLERK. On page 48, after line 11, it is proposed to insert the following new paragraph:

(e) In disposing of any surplus lands or other real property on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions at the time such lands or other real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions first shall be given a reasonable time, to be fixed by the board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

Mr. HAYDEN. Mr. President, by way of explanation I may say that it has been represented to me by various State officials, and confirmed by the Bureau of Public Roads, that in a number of instances where tracts of lands had been acquired by the Army, existing roads had been closed. If the tract as a whole had been closed and the road were to be reopened the land would have to be acquired under condemnation proceedings or through negotiations with the future owner. Where the Government now owns such property the purpose of the amendment is merely to bring about a restoration of the conditions existing before the land was taken, with perhaps the addition of certain improvements in the way of realining the highways.

Mr. WHITE. Mr. President, I have no real objection to the amendment because I think it looks in the right direction; but I think that one problem in connection with it should have careful consideration of the conferees if the amendment goes to conference. I do not know what the law is in the Senator's State, but in many States of the Union highways, or land to be used for highways, are taken only for the purpose of temporary use, and the title to

the land remains in the abutting owners. What troubles me is whether the amendment is so drafted that in the event of the disuse of the land for highway purposes, either by the Government or by the original municipality, there would be any way by which to restore the land to the possession of the original owners.

Mr. HAYDEN. At the present time the original owners have completely parted with title.

Mr. WHITE. Have they parted with any more than the use of the land for highway purposes? In many instances do they not still have the right of reversion if the land is abandoned for highway purposes? That is the only question to which I wish to call the attention of the Senator, and I hope that it will be considered if the amendment finally goes to conference.

Mr. HAYDEN. It is a matter which could well be considered in conference. What I have in mind is a case in which an entire tract of land was acquired by the Government on both sides of the road, and then, for the convenience of the Government, the road was abandoned. If the land had been in the possession of private owners, the State or county which had a road located on the land ought to have an opportunity to acquire title to the land before it is placed in private hands.

I hope, Mr. President, that the amendment will go to conference.

Mr. JOHNSON of Colorado. Mr. President, I have no objection to the amendment going to conference. I think the amendment is of such importance to States, municipalities, and other subdivisions of the States, that it should be taken to conference and perhaps agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arizona [Mr. HAYDEN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer two amendments, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 47, line 11, after "institutions", it is proposed to insert "peoples utility districts and cooperative, nonprofit, or limited dividend associations, the projects of which comply with the requirements of the Rural Electrification Act of 1936."

On page 47, line 23, after "institutions", it is proposed to insert a comma and the following: "peoples utility districts and cooperative, nonprofit, or limited dividend associations, the projects of which comply with the requirements of the Rural Electrification Act of 1936."

Mr. LA FOLLETTE. Mr. President, there are really two amendments, but since they cover the same subject I ask unanimous consent that they may be considered together.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE. Mr. President, all the amendments seek to do is to place

rural electrification projects on the same footing with municipalities or State governments in the acquisition of any surplus war property which may be available for disposal, so that they may be utilized in the development and extension of the rural electrification program.

It has seemed to me from the beginning that the opportunities which the farmers may have in securing benefits from surplus war property disposal are of necessity, and because of the situation of the farmers, bound to be very limited in character. I find myself in wholehearted agreement with the proposal recommended by the committee to treat States, political subdivisions, municipalities, tax-supported institutions, and nonprofit medical and educational institutions, in a generous manner when disposing of surplus property. But it seems to me that we should be equally generous with the rural-electrification program which has meant so much to the farmers.

I have no doubt, Mr. President, that if the amendments which I have offered are adopted and remain in the bill there will be a surplus of generators and other articles and property which could be utilized in the generation and distribution of electric power. I am sure that all Senators from States in which the rural-electrification program has been carried on will agree with me that in all probability we could not have attained the present goals of agricultural production had it not been for the development of the rural-electrification program. As a matter of fact, bringing electricity to a farm is tantamount to furnishing it with at least the product and benefit of one man's labor in addition to the comfort and convenience which electricity provides for the family. If we are to be generous with other public or quasi-public institutions, and I am in favor of it, it seems to me that we should be equally generous with the rural-electrification program.

Mr. President, I have consulted with the distinguished Senator from Colorado [Mr. JOHNSON], who is handling the bill on the floor, and he has advised me that he favors the amendments.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. LANGER. Does the Senator intend to include copper wire, which is so difficult to obtain at the present time?

Mr. LA FOLLETTE. The amendments are intended to include any surplus property which may be made available for disposition under the pending bill. I am not in a position to say exactly what commodities, articles, or types of materials will be made available. The Senator is aware, of course, that there is a stock-pile provision in the measure which covers many of the strategic and other types of mineral and metal products. But it would simply place the rural-electrification cooperatives on the same basis with municipalities, States, charitable and educational institutions of a nonprofit character. The amendment has been carefully drawn in order to provide that it shall apply only to those cooperatives which qualify under the Rural Electrification Act.



The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment, offered by the Senator from Wisconsin, which will be considered jointly.

The amendments to the amendment were agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. ELLENDER. Mr. President, I offer a clarifying amendment on page 56 of the bill, section 20. It deals with limitations on the disposal of airports and harbor facilities.

At the top of page 56 the right to purchase technical equipment is accorded merely to governmental units, when, as a matter of fact, the intention is to make it possible for States and political subdivisions thereof, including municipalities and other governmental units, to have that right. I have taken the matter up with the Senator from Colorado who is in charge of the bill, and, in order to clarify the provision, I suggest that in line 1, page 56, after the word "interested", there be inserted the words "States and political subdivisions thereof, including municipalities and other"; on the same page, line 1, after the word "the" at the end of the line, to insert the word "use", and in line 2, after the word "operation", to insert a comma and the words "or acquisition."

If the amendment were adopted the particular provision would read as follows:

And no technical equipment of any airport left in a stand-by condition shall be removed, except for use at some other place, until reasonable opportunity is afforded to interested States and political subdivisions thereof, including municipalities and other governmental units, to enter into arrangements for the use, operation, or acquisition of such airport.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Louisiana to the committee amendment.

The amendment to the amendment was agreed to.

Mr. ELLENDER. Mr. President, I wish to say that I am very glad that the committee saw fit to incorporate in the bill section 20. It was my privilege on February 7 to introduce Senate bill 1723, which had the same objective as section 20. I wish to place in the RECORD as a part of my remarks a letter addressed to Mr. Brainard Cheney, staff director, Subcommittee on Surplus War Property of the Senate Small Business Committee, by Mr. William A. M. Burden, Assistant Secretary of Commerce.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,  
Washington.

MY DEAR MR. CHENEY: In response to your telephonic request of this date with reference to S. 2065, we are pleased to furnish you with the views of the Department of Commerce respecting the disposition of federally owned airports and related facilities, which are or may be surplus in nature.

Under Public Law 812, Seventy-seventh Congress, and subsequent acts, the Congress has appropriated funds to the Civil

Aeronautics Administration for the construction, improvement, and repair of public airports necessary for national defense as determined by a board composed of the Secretaries of War, Navy, and Commerce. Since 1940 the Congress has appropriated approximately \$400,000,000 for this program and thus far development work has been approved at approximately 550 public airports in the United States, its Territories, and possessions.

Under this program a local unit of government is required to act as sponsor for the project, acquiring without cost to the Federal Government unencumbered title to all the lands to be improved and entering into an agreement to maintain and operate the completed facilities as a public airport. The Civil Aeronautics Administration does the grading, drainage, paving, and lighting incident to the development of the landing area proper.

The Army and the Navy have occupied many of these airports under agreements with the local units of government which give them the exclusive control of the landing areas of such airports for the duration of the war. In many cases, however, the Army and the Navy have also acquired, under deed or long-term lease, parcels of land adjacent to the airport or on it, particularly those areas upon which they have constructed buildings. In a great majority of these cases the areas thus acquired by the Government comprise the choice building areas of the airport and the buildings constructed are hangars, operations buildings, and other structures which would be useful in connection with aircraft operations at the airport.

Upon the termination of the war it is anticipated that a great many of these airport properties, including the buildings constructed thereon, will become surplus to the needs of the Army and Navy. In the absence of legislation to the contrary, all such property would have to be disposed of as surplus property under whatever general laws on this subject were then in effect, which might mean that many airport lands and buildings would find their way into the hands of private individuals and corporations, rather than of the public agency or other governmental body owning the landing area of the airport. Such dispositions would not insure the availability of the property for public use on reasonable terms and might well make it difficult if not impossible for the public owner of the airport to operate and maintain it in accordance with its agreement with the United States.

In addition to these properties at public airports constructed or improved under the Civil Aeronautics Administration program, there are many other airport lands, runway extensions, airport buildings, air navigation facilities, and other types of airport improvements now owned or controlled by the United States, acting by and through its various instrumentalities of the Government, which will become surplus to the needs of the Government after the war. It is evident that civil aviation would be greatly benefited if these lands and facilities were made available for aeronautical use under public control.

The Army and Navy have indicated interest in continued aeronautical use of aeronautical property which may become surplus to their needs upon conclusion of hostilities. This interest is evidenced by the following communications:

"In addition to the Civil Aeronautics Administration fields currently in use by the Army Air Forces, there is a vast number of airports which have been developed by the Army Air Forces as essential to the prosecution of the war but which cannot conceivably be operated and maintained by the Army

during time of peace. In most instances, these fields will be available to civil agencies, possibly through the Civil Aeronautics Administration, and will accommodate the operation of any probable commercial aircraft for many years to come. Almost without exception, these airports are so situated as to be of considerable commercial value."

Letters of the Secretary of War to the Assistant Director of the Bureau of the Budget and the Comptroller General dated December 21, 1942, and February 15, 1943, respectively.

"The Navy Department expresses its willingness to permit as far as legally possible the disposition by the Civil Aeronautics Administration of all Government-owned land and buildings, aprons, and other improvements purchased or constructed with Navy funds which may be situated at such airports developed by the Civil Aeronautics Administration at the request of the Navy whenever such lands, buildings, and improvements are no longer needed for military use in the opinion of the Navy Department. The latter, however, reserves the right at all times to remove and dispose of all such buildings and improvements if the Navy Department believes that they will serve a military purpose elsewhere, in which case the Navy Department is willing to have the land upon which the buildings and other improvements were built be disposed of by the Civil Aeronautics Administration at such times as the Navy Department decides that such land is no longer needed for military use. It is believed that the disposition of Navy-owned properties as outlined above will best promote the development of civil aeronautics and will serve the best interests of the national defense and the United States as a whole."

Letter of the Secretary of the Navy to the Secretary of Commerce dated May 14, 1943.

In order that surplus aeronautical property may be utilized for the development of civil aeronautics and air commerce, it is suggested that the following provision be inserted in S. 2065:

"All surplus lands, buildings, and facilities located within the boundaries of, or adjacent to, airports (except such airports as continue to be operated as such by the armed forces of the United States), the use of which is determined by the Administrator of Civil Aeronautics necessary or desirable to encourage and foster the development of civil aeronautics and air commerce, shall be disposed of by sale, lease, donation, or otherwise in such manner as may be determined after consultation with the Administrator of Civil Aeronautics."

Due to the lack of time, the foregoing has not been submitted to the Director of the Bureau of the Budget. Hence, it is not known whether the same is in accord with the views of the President.

Sincerely yours,

WILLIAM A. M. BURDEN,  
Assistant Secretary of Commerce.

MR. BRAINARD CHENEY,  
Staff Director, Subcommittee on Surplus War Property of the Senate Small Business Committee, Senate Office Building, Washington, D. C.

Mr. JOHNSON of Colorado. Mr. President, I have an amendment making a typographical correction, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment proposed by the Senator from Colorado to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 47, line 2, after the word "subdivisions," it is proposed to insert "including municipalities."



The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Colorado to the committee amendment is agreed to.

Mr. JOHNSON of Colorado. Mr. President, I have another amendment that is not merely to correct a typographical error, but one which was discussed yesterday. On page 75, line 9, after the word "of", where it first appears, I move to insert the words "the Contract Settlement Act of 1934." The purpose of the amendment is to make certain that this bill will not be interpreted to amend the Contract Termination Act of 1944, which Congress recently passed.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 75, line 9, after the word "of", where it first appears, it is proposed to insert "the Contract Settlement Act of 1944."

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from Colorado to the committee amendment is agreed to.

Mr. TAFT. I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, lines 17 and 18, it is proposed to strike out the words "and they shall thereafter be put", and insert "but the owning agency or the disposal agency is authorized either before or after such legal transfer to cause such minerals or metals to be put."

Mr. TAFT. Mr. President, this amendment has been printed and is on the desk. The present stock-piling provision contains these words:

The minerals and metals may be transferred in any form in which they are held, and they shall thereafter be put into forms best suited for storage and use for the common defense.

It has been represented to me that, particularly in the case of copper, the process of preparing the metal is often quite a long one, especially in the case of electrolytic copper. If the contracts are terminated while this process is in course, this section of the bill apparently provides that they must be transferred first and then "they shall thereafter be put into forms best suited for storage and use for the common defense."

The amendment I propose will cause it to read in this way:

The minerals and metals may be transferred in any form in which they are held, but the owning agency or the disposal agency is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms suited for storage and use for the common defense.

In other words, if copper is in the midst of the process of being smelted or prepared for a permanent form, the owning agency may cause it to be finished to a condition in which it may properly be stored or they may make legal transfer to the Treasury Procurement Division or some other agency—it would be the Treasury Procurement Division in the case of stock piling—and they may pay for the additional processing.

I think this is highly desirable to prevent an actual stoppage in the middle of the manufacturing process.

Mr. JOHNSON of Colorado. Mr. President, will the Senator read the amendment again, please?

Mr. TAFT. I will read the provision as it would appear if the amendment were agreed to:

The minerals and metals may be transferred in any form in which they are held, but the owning agency or the disposal agency is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms suited for storage and use for the common defense.

Mr. JOHNSON of Colorado. Am I to understand the amendment simply pertains to the authority to place in forms? The Senator's amendment would not give the owning agency after the metals had been transferred to a stock pile—authority to take the metals out, would it?

Mr. TAFT. No. I think probably the Senator's objection would be met if instead of "disposal agency," the amendment should use the words "Treasury Procurement Division," which is really not a disposing agency, but a storing agency.

Mr. JOHNSON of Colorado. That would make the amendment much clearer.

Mr. TAFT. I ask to modify the amendment by striking out the words "disposal agency" and inserting the words "Treasury Procurement Division."

The PRESIDING OFFICER. The amendment will be so modified. The question is on agreeing to the modified amendment proposed by the Senator from Ohio to the committee amendment.

The modified amendment to the committee amendment was agreed to.

Mr. TAFT. Mr. President, I offer another amendment. I may say before the amendment is read that it relates to a fundamental difference.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. We should have a quorum to consider this amendment, it seems to me. Would the Senator object to my asking for a quorum?

Mr. TAFT. I should not object at all if the Senator thinks there is a quorum available.

Mr. JOHNSON of Colorado. If there is not I should like to find it out for certain. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	O'Mahoney
Andrews	Guffey	Overton
Austin	Gurney	Pepper
Bankhead	Hawkes	Revercomb
Buck	Hayden	Reynolds
Burton	Hill	Shipstead
Byrd	Johnson, Calif.	Stewart
Capper	Johnson, Colo.	Taft
Caraway	Kilgore	Thomas, Okla.
Chandler	La Follette	Thomas, Utah
Connally	Langer	Vandenberg
Cordon	McClellan	Wagner
Danaher	McFarland	Walsh, N. J.
Davis	McKellar	Weeks
Downey	Maloney	Wherry
Eastland	Mead	White
Ellender	Millikin	Wiley
Ferguson	Moore	

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, I ask that the amendments I have offered may be stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 32, in lines 11 and 12, it is proposed to strike out the words "The Board shall elect one of its members as chairman" and insert "The President shall appoint one of the members to act as chairman."

On page 33, it is proposed to strike out subparagraph (c) and insert "(c) The chairman of the Board shall be the administrative director thereof. Within the limit of funds which may be available, he shall employ and fix the compensation of such deputy administrative directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out the functions of the Board and of the administrative director. All such deputy administrative directors and other officers and employees shall be appointed in accordance with the civil-service laws, and their compensation fixed in accordance with the Classification Act of 1923, as amended. The administrative director shall, where practicable, perform the duties imposed upon him through the personnel and facilities of other Government agencies."

On page 38, it is proposed to strike out "Sec. 5 (a)" and insert "Sec. 5 (a). The Board shall delegate all administrative authority conferred upon it by this act to the administrative director, who may delegate such authority to any deputy director, or to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency: *Provided, however*, That nothing herein shall authorize the Board to delegate to the administrative director the formulation of policy or the issue of regulations or directives, and the director shall carry out policies, regulations, and directives approved by the Board."

The PRESIDING OFFICER. Will the Senator from Ohio permit an inquiry by the Chair?

Mr. TAFT. Surely.

The PRESIDING OFFICER. Does the Senator from Ohio propose—

Mr. TAFT. Mr. President, I ask unanimous consent that the three amendments may be considered together since they present a single plan.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TAFT. Was that the inquiry the Chair was about to make?

The PRESIDING OFFICER. Yes.

Mr. TAFT. Mr. President, I offer the amendment on behalf of the Senator from Tennessee [Mr. STEWART] and myself. The original bill provided for a surplus property administrator, who was to have a board that was purely advisory. The House bill contains the same provision, for a director and an advisory board. The amendment which I now present is a compromise between the two ideas. I have always felt very strongly



that when we delegate legislative authority, when we give someone else the determination of policy, that is a proper matter for a board, for the diversification of knowledge and interest, and for the consultation which a board affords. But when we delegate an administrative, an executive job, then I think it ought to go to a single administrator. In the case of the Price Control Administration, the Senate may remember that I advocated a board, because I felt that the fixing of a price was a semilegislativ and judicial function, which a board ought to perform, but I provided that the actual administration of the price-control law should be 100 percent in an administrator.

In this instance I am suggesting the same thing. The present provision is for a board of eight, who elect their own chairman, then choose a director and appoint all the employees. My experience in the Government up to date is that, under that kind of organization, every member of the board has someone he wants the administrative director to appoint. He is simply besieged by the different members of the board. They become involved in the question of patronage, and build up antipathies and factions within the board on questions that should have nothing to do with policy. So I have provided that the President shall appoint the chairman, and he shall be the administrative director, and he shall appoint the personnel under the civil-service regulations.

The latter part of the amendment provides that the board shall delegate all administrative authority conferred upon it to the administrative director, instead of saying that it may do so, as the bill provides. The provision in the bill would mean that if the board should not choose to delegate administrative authority to the administrative director, he would not be able to move in connection with any question, administrative or otherwise. He could not make an agreement with a department of the Government without a resolution of the board passed at a meeting called for that purpose. The amendment provides that the board shall delegate to the administrative director administrative power conferred under the terms of the bill—

*Provided, however,* That nothing herein shall authorize the board to delegate to the Administrative Director the formulation of policy or the issue of regulations or directives, and the Director shall carry out the policies, regulations, and directives approved by the board.

One of the arguments for the board was that the National Association of Manufacturers was in favor of a board. However, Mr. Bauer, who appeared before the committee in behalf of the National Association of Manufacturers, testified as follows:

The N. A. M. committee proposes that the commission function as a policy-making body, leaving to its own appointed administrator the responsibility of executing policy and carrying out procedures which had been decided upon by the commission. Executive responsibility would therefore be centered in the agent of the commission who would carry out its realistic policies.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. Is not that precisely what the bill provides? The board would select an administrator, and the administrator would carry out the policies of the board.

Mr. TAFT. The board would select an administrator; but under the terms of the bill the board itself would be the administrator. Every power is given to it. It may delegate any administrative powers it wishes to delegate to the administrator; but boards do not usually delegate powers unless they are compelled to do so. Under the terms of the bill we should find the same situation that exists in connection with a number of other boards. We should find that every act of the administrator would have to be approved by resolution of the board.

The same problem arose in the case of the Smaller War Plants Corporation, where serious difficulty was encountered. Further examples are the Federal Trade Commission and the Interstate Commerce Commission. So far as passing on policy is concerned, they are excellent; but as an administrative body neither is a success. I feel very strongly that we should attempt to divide this problem, so as to have an administrator to carry out the executive functions. The board would be confined to the adoption of resolutions and the issuing of regulations. The bill is full of powers to issue regulations. That authority should be retained in the board. It should have power to issue regulations as to the method of disposal of airplanes, or any other article; and the administrator should carry out the regulations. However, it seems to me that the administrator ought to be independent. He ought not to have to run to every one of eight members of a board to find out whom he can appoint to office, and what he must do each day to carry out the purposes of the act.

Mr. President, I very much hope that this compromise amendment may be adopted.

The PRESIDING OFFICER (Mr. DANAHY in the chair). The question is on agreeing to the several amendments offered by the Senator from Ohio [Mr. TAFT] to the committee amendment, which several amendments are being considered together.

Mr. JOHNSON of Colorado. Mr. President, I most earnestly hope that the Senate will not agree to the amendment offered by the Senator from Ohio. It seems to me that in going both ways at once, riding the horse in two different directions, he gets all the bad effects of both plans. We ought to go in one direction or the other. If we are to have a board, we should have a board; and if we are to have an administrator, we should have an administrator. It seems to me that a compromise amendment on this question is not at all feasible. It is one of those things which cannot be compromised.

Try as the Congress may, it cannot write all the formulas, rules, and regula-

tions into a law of this kind. We must leave much to discretion. We must leave much to the board itself. Mr. Clayton acknowledges that, because in his testimony before the Committee on Military Affairs he pictured his own office as a very small office. He called it a skeleton office. He stated that his chief function would be to determine policy, and that after he had determined the policy, the disposal agencies would administer the act. If Mr. Clayton visualizes the office as a policy-making office, then it seems to me that the Congress should take notice of that fact, and should establish a board to make policies.

A great many witnesses appeared before the subcommittee on this question. The National Farmers Union advocated a board such as is provided for in the bill. This morning I received a telegram from the president of the National Farmers Union again stating that he likes the way in which we propose to establish the organization. The C. I. O. through its representatives, stated that it desired a policy-making board. The witness who testified on behalf of the American Federation of Labor strongly advocated a board such as is provided for in the bill. The National Association of Manufacturers wants a board, and the United States Chamber of Commerce wants a board. I do not know of anyone who appeared before the committee who did not believe that the policy should be determined by the board.

I most earnestly hope that the amendment offered by the Senator from Ohio will be defeated. It clearly upsets the whole plan and policy of the bill. We have had to delegate a great deal of power and authority on matters of policy. We were compelled to do so. There is no way by which to write into a law all the details of policy. When we delegate such authority, we should have a board which is representative of the various sections of our great country. We must remember that this bill is widespread in its effect. It is not a simple matter. It is not a matter affecting a portion of our people, a portion of our economic system, or a portion of our social organization. It affects every one. It affects industry, labor, agriculture, and consumers. It affects small business and large business. It affects matters entirely outside our own country. It is so far-reaching in its effect that I do not see how the Congress could possibly set up the authority in an administrator.

According to the so-called compromise amendment which the Senator from Ohio has offered, the executive authority would be delegated to an administrator. He says that the policy-making powers would not be delegated to the administrator; and yet the office of administrator would be set up without regard to the board, and the administrator might disregard the board. If the compromise amendment were adopted, there would be constant conflict between the board and the administrator. There would be no way to avoid such conflict. There would be many hairline cases which could be decided one way or the other, and every one of such cases would



become a controversial case, causing all sorts of trouble, and poor administration of the act.

This is the way in which the bill would operate: A board would be named by the President, with the advice and consent of the Senate. The nominations of members of the board would have to be confirmed by the Senate. The board would select its own administrator, to carry out the directions of the board. That would be his job. In case of a tie vote of the board, the Director of War Mobilization and Post-war Adjustment, under whose office this function is placed, would step in and break the tie. So under the provisions of the bill there would be harmony all the way. The board would appoint the administrator, and the administrator would have to carry out the policies of the board. That would be the only function of the administrator.

It must be clear to the Senate, to the country, and to those who are studying this question and are interested in it, that neither the administrator nor the board would actually sell anything. They would not sell a penny's worth of anything. The actual selling would be done by the disposal agencies, and the disposal agencies would be the active administrators of the act. The board would sit above the disposal agencies and determine the rules, regulations, formulas, and policies which are not laid down in the bill itself.

One further feature with respect to the board proposed in the bill is that the board would be appointed to represent all geographical areas of the United States. It would represent labor, agriculture, industry, and the consumer. So far as possible, it would be representative of all elements and sections of our great country.

I most earnestly hope that the amendment offered by the Senator from Ohio will be rejected. I ask for the yeas and nays.

Mr. CHANDLER. Mr. President, I wish to associate myself with the Senator from Colorado in objecting to the pending amendment. Let me briefly state the reasons.

This amendment brings the issue sharply to the attention of the Senate. The question which should be decided by us is whether we wish to have one man perform this function, or whether we wish to have a board do so. If we wish to have one man perform it, we should vote to have one man, appointed by the President with the advice and consent of the Senate, and let him handle the whole job. But if we agree with the position taken by the committee, we should vote against the pending amendment. The position of the committee is that all sections of the country should be represented by a board appointed by the President. It is much too large a job to place in the hands of one man.

If the pending amendment should be adopted, the agency to be created would be neither fish nor fowl. The board would not be necessary in administering the act, because the board would elect a director, who would have authority to appoint deputy administrators; so there would be no use in having a board.

I do not quarrel with any Senator who wishes to have one man handle this job. One witness who appeared before the committee stated that his idea was that we ought to distribute the property promptly, get the money, and put it back in the Treasury. I do not believe that any greater mistake could be made in the administration of such a law than to attempt prompt sale of more than \$103,000,000,000 worth of surplus war property owned by the Government at this time. If that is done, all this property will be sold as speedily as possible, and it is absolutely certain that it will not be distributed to the Government agencies and will not be distributed to the average citizens of the United States to whom most of us are anxious to provide an opportunity to share the property and to obtain some of it for useful purposes.

However, I am glad the amendment has been offered, because it gives us an opportunity to face the issue squarely. If we want one man to do it, we should vote for that. If we want a board to do it, we should vote for a board, and, of course, the board would make rules and regulations and would have some responsibility.

The board would be established in the Office of War Mobilization or in the successor to that Office, whoever that may be. Each of the members of the board would be appointed by the President, with the advice and consent of the Senate, and the President would be asked to give consideration to the geographic and economic interests of the Nation in the selection of the members of the board, and the board would be representative of all the people of the country.

I say the amendment squarely presents the issue to the Senate. The members of the committee were unanimous, as I recall, in the preference for a board, rather than for one man, to be in charge. That is the reason why a board is provided for in the bill which has been reported to the Senate by the committee.

Mr. President, I hope the amendment will be rejected.

Mr. MILLIKIN. Mr. President, I desire to associate myself with the sentiments expressed by my distinguished colleagues the senior Senator from Colorado [Mr. JOHNSON] and the junior Senator from Kentucky [Mr. CHANDLER]. I suggest that the administration of this enormous business is inseparably tied up with the policies involved, and that even though the best policies were established, if they did not reflect through into an efficient administration, we might just as well not have the best policies.

It seems to me we must have both. We can find analogies in our private business organizations. We are about to set up what will probably be the largest merchandising business in the world. In private corporate business the board of directors is the head of the company. It is unthinkable that the one charged with administration of the policies of a company, its president would not be accountable to the board of directors. To me it is unthinkable that the director of the organization which would be set up under the bill should not be responsible in administrative matters to the board.

So, Mr. President, I hope the amendment will be rejected.

Mr. TAFT. Mr. President, the idea that it is necessary to have either a board or an administrator seems to me to be contradicted by the terms of the bill. Under the bill there is to be an administrator. The point I should like to make is that under the bill's provisions there will have to be delegated more power than I should like to delegate; but I recognize the fact that probably thousands of different kinds of properties will be disposed of, and every one of them will involve problems of its own. We must delegate to someone the power to make the policies. When we delegate such power, it is proper to delegate it to a board. In other words, a board of eight men is an administrative monstrosity; no board of that kind could ever make a successful administrator. It can determine policies. But it seems to me we must have someone who will head the agency and will provide the spark plug. We must have one man to whom such power will be delegated. If such a person were a mere clerk of the board—and that is all he would be, under the bill—he would not even have the power to designate his subordinates. As I have said, every member of the board would have someone he desires to have appointed; and he would interfere with the work of the clerk, which is all the administrator would be under the provisions of the bill.

It seems to me that if we wish to have successful administration and wish to have the surplus property sold—and that is something which requires push, push, push, all the time—we must have someone with independent power to do the pushing. I think it is perfectly proper to set up a board, and to give it sufficient power, and to have it make whatever regulations it wishes to make with respect to programs and with respect to the other disposal agencies, as it is authorized to do, and to have it make regulations which, so far as the administrator will be concerned, will have the effect of law. It may be said that he may disregard them. Of course, he may disregard the law, too. But so far as we are concerned, the board would determine the policies dealing with the matter of the disposal of the property.

It seems to me that if we wish to have the job done, the administration of the policies we determine and the carrying out of the policies the board determines should be handled by a man who has the power and the prestige which can only be conferred upon him if he is chairman of the board and is appointed by the President for that particular job.

Mr. STEWART. Mr. President, yesterday I stated on the floor of the Senate that I favored the appointment of an individual administrator, rather than a board. That is why I joined with the Senator from Ohio [Mr. TAFT] in submitting the pending amendment which, as I view it, is an effort to work out the problem which is presented to our minds by the amendment of the Committee on Military Affairs which would set up a board of eight men. I commented on the fact that the impression had been left by the testimony of the present Sur-



plus Property Administrator before the Committee on Military Affairs that if the authority were placed in his hands he would immediately dump on the market all the commercial goods as soon as they became surplus, and thus would create a condition which would seriously affect the economic welfare of the country.

I think that impression was one of the reasons which caused the Committee on Military Affairs to conclude that a board of eight men would be better than one man.

While a board comprised of a number of men might have its advantages in some respects, it would have its very distinct disadvantages. I believe I mentioned the other day the fact that in the months gone by we have had experience in dealing with the directors of the Smaller War Plants Corporation during the organization and the early days of the life of that agency. I believe that board consists of five members. For a while, possibly due to lack of direct policy, we were constantly confronted with difficulty in accomplishing anything. The duties which were imposed upon that board, regardless of whether they were of an administrative nature or of a policy-making nature, nevertheless were causing constant delays during the early days of the life of the Smaller War Plants Corporation. That thought is constantly in my mind as an example of the absolute inefficiency which can be caused by the operation of a governmental agency by a number of men.

I think the ideal way to operate under the pending bill would be by means of one administrator, with such safeguards as would be established by the provisions already incorporated in the bill, as well as by the provisions in the amendment the Senator from Ohio presented a few moments ago on behalf of himself and myself.

I should like to see this matter worked out in that way; namely, to have one administrator chosen, instead of a group of administrators composed of eight men, rather than one man, who would be at the head of this organization.

I am sure that time will not possibly be of the essence, so to speak, with respect to the operations under the bill. Nevertheless, problems will present themselves each day. If each and every problem will have to be passed upon and decided by eight men, each of them possibly having a separate and distinct mind of his own, that will only add to the difficulties which will be encountered.

I definitely think that the establishment of one man as the head of this organization, with power to make decisions in an administrative way, would be highly preferable to the appointment of a number of men, whether two, three, or eight.

Mr. O'MAHONEY. Mr. President, I feel that the recommendation of the committee is so vastly superior to the suggestion made in the amendment now pending, that there should be no question at all about the decision of the Senate. Under the amendment which has been proposed and is pending, the board would become a practical non-

entity, and the complete power of defining and administering the policies would naturally gravitate into the hands of the administrator who, under the amendment, would have to be appointed.

The committee very carefully considered this proposal. The bill which came to the Senate, well thought out as it was by its distinguished sponsors, embodied the theory of concentrating in one man power to make policy decisions as well as to administer. We felt that that would be particularly unwise at a time when the whole purpose of the proposed act should be to build up the economy of the entire country, and to provide for the distribution of surplus property in a way which would be beneficial to all areas.

So the committee very carefully provided that the President, in making his selection of the members of the board, should take into consideration the geographical areas of the country, and should also take into consideration all economic interests which might be involved. No matter what we do in passing this bill, Congress must delegate tremendous powers which belong to the legislative branch of the Government. It seems to me that there should be no hesitation in the minds of Members of the Senate at a time when it is important that the legislative power be reasserted. In time of war, of course, we must emphasize Executive power, and we grant great delegations of legislative authority in order to enable the Executive to act. But in time of peace it is not necessary to do that. It would be unwise to do so. It would be unwise to clothe a single administrator with the vast powers which would be conveyed to him by this amendment, because it would tend to carry over into the reconversion period and into the period of peace the concentration of authority in the Executive, which in turn would tend to subordinate to it the legislative power.

Mr. President, I hope that the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Ohio [Mr. TAFT] which, without objection, will be considered en bloc to the committee amendment.

The amendments to the amendment were rejected.

Mr. PEPPER. Mr. President, I should like to have the attention of one of the sponsors of the bill. I ask for the attention of the Senator from Colorado [Mr. JOHNSON].

Does the bill provide for cataloging surplus materials to be disposed of so that the catalogs may be made available to the people and afford them an opportunity of being informed as to what articles or commodities are to be sold, as well as descriptions and relative prices?

Mr. JOHNSON of Colorado. If the Senator will turn to page 44 of the bill, section 10, he will find a provision which probably covers the question which he has in mind. The provision reads as follows:

SEC. 10. Every disposal agency shall maintain in each of its disposal offices full records of the inventories of surplus property of such office and of each of the disposal transactions negotiated by such office and shall make the information in such records available for inspection by the public.

Mr. PEPPER. Would the provision which the Senator has just read contemplate the printing of catalogs so that they could be distributed to the public in somewhat the same way that catalogs of mail-order houses are distributed upon request?

Mr. JOHNSON of Colorado. No; I do not believe there is any provision in the bill which provides for a procedure so broad as that.

Mr. PEPPER. Last night I asked Mr. Donald Nelson how much mail-order house catalogs cost, and it is my recollection that he said that when a few million copies were to be printed, the cost would be about 90 cents a copy. We shall be disposing of billions of dollars' worth of public property. Obviously the ordinary member of the public will not have an opportunity to investigate inventories and make an examination of the listings. After all, it is the people's property with which we are dealing, and if we can discover the most reasonable and convenient way of making known to them what is to be sold, it seems to me that a provision in the bill covering the situation would be proper.

Mr. JOHNSON of Colorado. On page 35 of the bill, paragraph (d) of section 3, under "Board's duties and authority", reads as follows:

(d) To prescribe regulations and issue directives necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers shall have a fair opportunity to buy.

Mr. PEPPER. Obviously, the provision to which the Senator has adverted does not authorize or contemplate that the board shall list in a newspaper, which would cost a great deal more than 90 cents, what is to be sold. A certain number of items might be listed. But I do not believe the provision which the Senator has read is adequate to authorize the board, if it should see fit to do so, to prepare a catalog of what is to be sold and furnish copies of it to interested persons upon request.

I move an amendment to the section from which the Senator has read, to provide that so far as may be practical catalogs shall be printed setting forth the goods which may be for sale, giving a description thereof, and, as nearly as can be given, the approximate prices of the various articles.

Mr. JOHNSON of Colorado. If it is desirable to broaden the direction to the board as set forth in paragraph (d) on page 35 of the bill, I believe that the committee would be glad to take the amendment to conference and see if we can arrive at some satisfactory provision.

The PRESIDING OFFICER. The Chair asks the Senator from Florida to



reduce his amendment to writing while the Senate proceeds with other matters.

Mr. PEPPER. Very well.

Mr. CORDON. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 74, line 16, after the numerals "30", it is proposed to strike out "A" and insert "(a) Except as provided in subsection 'd)' of this section," and on page 74, between lines 24 and 25, it is proposed to insert a new subsection as follows:

(b) (1) No transferee of personal property under the terms of this act or subsequent transferee of such property shall, within 5 years of the date of the enactment of this act, dispose of said property so as to realize therefrom any excessive profit.

(2) As used in this subsection the term "excessive profits" means the portion of the profits derived from purchase and sale of any item or group of items of surplus property by any person to whom such property is disposed of under this act, or by any subsequent transferee of such property, which the board determines in accordance with this subsection to be excessive. In determining whether excessive profits have been realized there shall be taken into consideration the following factors:

(A) reasonableness of profits in the light of normal pre-war profits, and profits realized in the usual course of business on similar items which have not been disposed of under this act;

(B) amount of capital employed and risk assumed;

(C) character of business and rate of turnover;

(D) such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the board from time to time as adopted.

(3) In any case in which, in the opinion of the board, excessive profits have been realized it shall forthwith give notice by registered mail to the person or persons to whom it believes such profits have accrued, together with a statement of the facts used as a basis for such opinion. After reasonable opportunity for hearing, the board shall enter an order determining the amount, if any, of such excessive profits. The board shall take such action as may be necessary to recover such excessive profits either by settlement or suit in any court of competent jurisdiction. In any such suit the court may, in addition, impose a penalty in an amount not exceeding twice the amount adjudged to be excessive profits. All money recovered by reason of any such settlement or suit or as a penalty shall be covered into the Treasury as miscellaneous receipts.

Mr. CORDON. Mr. President, the purpose of the amendment is exactly the same as the purpose of the amendment which was offered by the senior Senator from Tennessee [Mr. McKELLAR] and his colleagues from Arizona and Mississippi. That amendment was debated at length yesterday and today. As I followed the debate, it seemed to me that it was the consensus of this body that the purpose sought to be achieved in the first amendment was altogether proper and laudable. The objection which was raised went to the provisions of the first amendment which sought to place a burden upon the title to property and, particularly, real property, first for all time, and later, by suggested amendment, for 5 years.

In presenting my amendment I have followed the usual legislative practice of inserting a provision against the act of securing excessive profits by transfer. The definition of excessive profits as used is exactly that which was used in the amendment heretofore considered by this body, with reference to which I heard no objection. The procedure for determining excessive profits and for collection by the Government of such profits, or a penalty therefor, is exactly the same.

As I view it by the adoption of this amendment absolute protection can be thrown around all personal property which is to be disposed of as surplus by the Government. I submit the amendment on that basis.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon to the committee amendment. [Putting the question.] The Chair is in doubt.

Mr. AIKEN. I ask for the yeas and nays.

The PRESIDING OFFICER. In the opinion of the Chair, the "noes" seem to have it.

Mr. AIKEN. I asked for the yeas and nays before the Chair announced his decision.

The PRESIDING OFFICER. The yeas and nays have been requested. Is the demand sufficiently seconded?

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Revercomb
Buck	Hawkes	Reynolds
Burton	Hayden	Shipstead
Byrd	Hill	Stewart
Capper	Johnson, Colo.	Taft
Caraway	La Follette	Thomas, Utah
Chandler	Langer	Vandenberg
Connally	McClellan	Wagner
Cordon	McFarland	Walsh, N. J.
Danaheer	McKellar	Weeks
Davis	Maloney	Wherry
Downey	Mead	White
Eastland	Millikin	Wiley
Ellender	Moore	
Ferguson	O'Mahoney	

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Oregon [Mr. CORDON] to the amendment reported by the committee.

Mr. AIKEN. Mr. President, I wish to withdraw my demand for the yeas and nays, but I do request a rising vote on the amendment of the Senator from Oregon. I inquire if debate is closed on the amendment at this time?

The PRESIDING OFFICER. The amendment is still open to debate.

Mr. AIKEN. Then, Mr. President, I should like to say that I do not believe the Senate ought to recess for the week end and go home without having made every possible effort to control profiteering and speculation in Government surplus property. For myself, I was satisfied with the amendment proposed by the senior Senator from Tennessee [Mr. McKELLAR]. I think that amendment cov-

ered the situation. But I realize and recognize the apprehension which the majority of the Senate has that the amendment of the Senator from Tennessee might be misinterpreted and misapplied. I do not know how we can keep any bills we pass from being misinterpreted and misapplied. If we permit such a consideration to be our guide we ought not to undertake to legislate at all. But inasmuch as the amendment of the Senator from Tennessee did not prevail, I think the amendment of the Senator from Oregon, which is aimed at controlling speculation and profiteering in Government surplus property, covers the situation as well as we can hope to cover it, and I trust the amendment will be adopted by the Senate body.

I ask for a rising vote, Mr. President, on the amendment.

Mr. STEWART. Mr. President, I wish to state that an amendment has now been agreed upon, at least by most of us who have been working on it. As the Chair knows, I asked unanimous consent earlier today to reconsider the vote by which an amendment was agreed to yesterday afternoon. The vote was reconsidered by unanimous consent. An amendment to take the place of the previous amendment has been worked out, which is agreeable, and so far as I am concerned at least is acceptable. The Senator from Massachusetts [Mr. WEEKS] has that amendment, and I should like to ask that he present it now. Consideration of it will take but a moment, I think.

The PRESIDING OFFICER. The Chair wishes to call attention to the fact that the amendment offered by the Senator from Oregon [Mr. CORDON] is pending. The question is on agreeing to that amendment. A division has been called for.

On a division the amendment to the amendment was rejected.

Mr. WEEKS. Mr. President, yesterday an amendment was offered by me to paragraph (3) of section 14, which was adopted. Earlier today, as the Senator from Tennessee has recalled to us, a motion to reconsider was agreed to. I now ask that that amendment be withdrawn, and I offer two amendments which I ask unanimous consent to have considered jointly. One concerns the subject matter we have been discussing, and the other provides a definition under the section containing definitions. I ask that the amendments be stated.

The PRESIDING OFFICER. Without objection, the amendment previously offered by the Senator from Massachusetts [Mr. WEEKS] will be withdrawn.

The Senator from Massachusetts asks unanimous consent that two amendments which he has sent to the desk be considered together. Is there objection? The Chair hears none, and it is so ordered.

The amendments will be stated.

Mr. STEWART. Mr. President, did I correctly understand the Senator from Massachusetts to say that one amendment provides a definition?

Mr. WEEKS. The second amendment covers the definition which we discussed.



The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 38, line 2, after the word "proper", it is proposed to insert the following: "*Provided, however, That in the case of raw materials, consumer goods, and common supplies, no extension of credit under this act shall be for a longer period than 3 years.*"

Mr. LA FOLLETTE. Mr. President, I did not hear at what point the amendment is proposed to be inserted.

The PRESIDING OFFICER. On page 38, line 2, after the word "proper."

The clerk will state the second amendment.

The CHIEF CLERK. On page 77, after line 2, it is proposed to insert the following:

(g) The term "common supplies" means small tools and hardware and nonassembled articles which may be used in the manufacture of more than one type of product.

Mr. LA FOLLETTE. Mr. President, I should like to have some explanation offered as to the effect of these proposed amendments.

Mr. WEEKS. Mr. President, the Senator from Wisconsin has asked for an explanation of the amendments. When I offered the amendment yesterday I sought to limit the duration of the credit which might be extended in connection with the purchase of surplus goods. Earlier today, during the discussion which took place, it appeared that Senators on both sides of the argument were in agreement that there should be some distinction made between plant and fixed equipment and land, and so-called consumable and expendable materials, and also it was apparent to all who discussed the matter that this amendment, if it were to be adopted, should be applied to the general provisions which appear in section 3 under the heading "Board's duties and authority." So under paragraph (b) of section 4, where it provides that the board may dispose of property for cash or credit, we limit the extension of credit by saying:

*Provided, however, That in the case of raw materials, consumer goods, and common supplies, no extension of credit under this act shall be for a longer period than 3 years.*

That, Mr. President, is the substance of what the amendment seeks to accomplish.

Mr. LA FOLLETTE. I thank the Senator from Massachusetts for his explanation; and, as I understand, it does not apply to machine tools or to plants.

Mr. WEEKS. Mr. President, it does not apply to plants. It does not apply to tools which are normally depreciated over a period of years under Treasury regulations, but it does apply to jigs and other tools, so-called expendable tools, which are normally carried in any business and considered as expendable and consumable.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Massachusetts (Mr. WEEKS).

The amendments to the amendment were agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. McKellar in the chair). The amendment offered by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 48, between lines 2 and 3, in the committee amendment, it is proposed to insert a new subsection, as follows:

(d) The board may provide, by regulation for reserving for sale or lease to States, political subdivisions thereof, including municipalities, and to tax-supported institutions, such amounts of surplus property as the War Production Board finds necessary to meet their essential needs.

On page 48, line 3, it is proposed to strike out "(d)" and insert "(e)."

Mr. LA FOLLETTE. Mr. President, it will be observed that the proposed new subsection is not mandatory upon the board, but is simply permissive. The amendment is offered because it has been represented to me that some of the States and municipalities are apprehensive that, because of their budgetary requirements and situations, they may not be in an equally advantageous position with corporations or individuals who might desire to purchase surplus property. As every Senator knows, municipalities, States, and other tax-supported institutions have been required by the necessities of the war and their inability to obtain priorities, to forego the purchase of many types of equipment and other materials which might readily be made available to them under the Government program for surplus-property disposal.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I am delighted to yield.

Mr. AUSTIN. There probably was a reason why the Senator omitted non-profit charitable, medical, and educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code. If so, I should like to know what the reason was.

Mr. LA FOLLETTE. It was my information that such institutions, if they were in a position to buy at all, would be able to buy at the time the goods were made available, whereas a State or municipality, because of its budgetary situation, meeting of the legislature, or something of that kind, might not be in a position to do so. I should have no objection to including them, if the Senator thinks it would be desirable.

Mr. AUSTIN. I do not. The explanation just made clears my mind of any doubt on the subject.

Mr. LA FOLLETTE. I feel certain that if it is found, after the bill goes to conference, that it is desirable to include them, they could be included in this provision; but so far as my present information goes, no such representations were made to me on behalf of institutions such as the Senator mentions. I am just as much interested in them as I am in the ones provided for in this section. I hope the conferees will consider that question, because the situation was brought to my attention only so far as States, municipalities, and political subdivisions are concerned. They desire

the opportunity to present to the board the desirability of issuing a regulation which would give them equal opportunity with other buyers in the purchase of surplus materials which might be useful to them.

Mr. CHANDLER. Mr. President, I hope the amendment offered by the Senator from Wisconsin will be agreed to. I believe that the committee, perhaps through some oversight, did not take care of the situation which he has explained.

Mr. MILLIKIN. Mr. President, I should like to have the attention of my distinguished colleague the senior Senator from Colorado [Mr. JOHNSON]. I invite the Senator's attention to page 47, subparagraph (c) of section 12. I should like to ask the Senator whether in his opinion conservation districts would come under that language?

Mr. JOHNSON of Colorado. Mr. President, conservation districts come under the language with respect to transfer to agencies of the Federal Government. Does the Senator refer to State conservation districts? If he refers to State conservation districts, the answer is "Yes." Federal conservation districts would come under the Federal agency. In either case such districts would be included.

Mr. MILLIKIN. I thank the Senator for his answer.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MCFARLAND. Mr. President, I should like to invite the attention of the Senator from Colorado [Mr. JOHNSON] to page 66. The other day I made the statement on the floor of the Senate that under section 22 no provision was made for notice prior to negotiation of a sale. The Senator from Colorado stated that the Senator from Wyoming [Mr. O'MAHONEY] had drafted that section. I have called the attention of the Senator from Wyoming to this question, and he has agreed that the bill should be amended on page 66, line 2, after the word "public", by inserting the words "or negotiated." I offer that amendment at this time.

Mr. JOHNSON of Colorado. I have no objection to the amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The CHIEF CLERK. On page 66, line 2, after the word "public", it is proposed to insert "or negotiated."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona to the committee amendment.

The amendment to the amendment was agreed to.

Mr. ELLENDER. Mr. President, I should like to have the attention of the Senator from Colorado in respect to the section dealing with stock-piling. I notice, on page 57, that strategic minerals shall include "ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the



principal components by value consist of such minerals and metals."

Suppose a ship were partially completed, and it were decided, for some reason or other, not to complete it. What disposition could be made of it under the provision I have just read? As I understand, the material would have to be stored. It could not be sold as scrap.

Mr. JOHNSON of Colorado. Mr. President, this section does not refer to steel, iron, or such materials. Of course, if the ship contained strategic and critical metals, and if the parts had no further use and were surplus, the metals would go into the scrap pile.

Mr. ELLENDER. What is the meaning of "scrap" as used in this section? It appears at the top of page 57, in line 1. What is the Senator's understanding of the word as used there? It will be noted from line 4 that if a fabricated article is completed, and the Army or Navy has no use for it, it may be sold as scrap, but if it is only partially completed, it may not be sold.

Mr. JOHNSON of Colorado. Of course, it is not intended by this section to scrap iron or steel. Only the critical and strategic metals are to be stock piled.

Mr. ELLENDER. What would become of the strategic material if it were part of a ship, tank, or something else that could be scrapped?

Mr. JOHNSON of Colorado. Does the Senator mean articles containing copper, zinc, and such metals?

Mr. ELLENDER. Yes; any of the strategic minerals or metals, as defined in the bill.

Mr. JOHNSON of Colorado. Such metals and minerals would be stock piled.

Mr. ELLENDER. Would it be necessary for the Government to take them out of a Government ship and put them in a stock pile? It seems to me that that language ought to be clarified.

Mr. JOHNSON of Colorado. It is clarified on page 57.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AUSTIN. Let me offer the suggestion that the word "such", in line 3, on page 57, refers to strategic minerals and metals, which are the subject of this section. Heretofore the word "strategic" has been applied to the words "minerals and metals." I think that is what it means here. If that is its meaning, then any strategic minerals or metals in a ship which was partially constructed and then abandoned would fall under the power expressed here, to stock pile; but they would also fall under the clause which provides that if the cost of recapturing the material is greater than its commercial value, there is no mandate to recapture it by dismantling a ship or doing anything else to obtain it.

Please notice lines 3 to 8, on page 57:

But shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

Elsewhere there is a provision which exempts from recapture articles which cannot be recaptured because of their cost.

Mr. ELLENDER. But does not the language to which the Senator has referred apply to fabricated articles and such articles as the Army and the Navy may have no use for?

Mr. AUSTIN. Yes; it does.

Mr. ELLENDER. That would not cover the situation I have tried to describe.

Mr. AUSTIN. No; but it is elsewhere covered, so as to avoid the necessity of wrecking the property.

Mr. ELLENDER. I inquire where is that language?

Mr. JOHNSON of Colorado. It is on page 57, in line 2. It reads as follows:

Fabricated articles of which the principal components by value—

In other words, the principal components, That would take care of the question the Senator asked in regard to a ship which was being dismantled.

Mr. ELLENDER. Mr. President, is the Senator looking for that language?

Mr. AUSTIN. Yes.

Mr. CORDON. Mr. President, I should like to ask what is the opinion of the Senator from Colorado regarding the language on page 66, beginning with the sentence in line 4, which reads as follows:

He—

Meaning the Secretary of the Interior—  
shall sell the property upon such terms as he deems most in the public interest to any person whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act.

I ask whether that does not give to the selling agency the right to a personal choice of a purchaser, so long as the purchaser's bid equals or exceeds the appraised value, and so long as the purchaser otherwise comes within the objectives of the act.

Mr. O'MAHONEY. Mr. President, if the Senator from Oregon would care to offer an amendment which would make that provision apply to the highest bidder, I think there would be no objection to it.

Mr. CORDON. That was my thought.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. CORDON. I yield.

Mr. HILL. Let me ask the Senator what is the provision to which he has called attention?

Mr. CORDON. It is on page 66, in the sentence beginning in line 4.

My thought was that in the sale of real property the property should go to the highest bidder whose bid equaled or exceeded the appraised value, and who was otherwise qualified, rather than to any person whose bid equaled or exceeded the appraised value.

I would suggest that in line 5 the words "any person" be stricken out and that the words "the highest bidder" be inserted in lieu thereof. That would accomplish the desired end.

Mr. JOHNSON of Colorado. We shall be glad to accept the Senator's amendment.

Mr. CORDON. I submit that amendment, Mr. President.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 66, in line 5, it is proposed to strike out the words "any person" and insert "the highest bidder", so as to read:

He shall sell the property upon such terms as he deems most in the public interest to the highest bidder whose bid equals or exceeds the appraised value of the property and to whom a sale would be in accordance with the objectives of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HILL. Mr. President, to the committee amendment I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 46, in line 25, after the word "equipment", it is proposed to insert "and property suitable for use in the protection of public health, including research."

Mr. HILL. Mr. President, under the language of the bill as now written, surplus medical supplies and equipment may be transferred to the Federal Security Administration for donation to the States and their political subdivisions, for their tax-supported health institutions.

The Surgeon General of the Public Health Service, Dr. Parran, has called my attention to the fact that such equipment may be of great value, so far as public health is concerned. As we know, drainage is an important function in that connection, and a bulldozer or other similar equipment might be very valuable for such purposes.

The amendment would permit the property to be transferred to the Federal Security Administrator to be used for the public health if that were thought desirable.

Of course, Senators realize that every year we appropriate millions of dollars to promote the public health. It would seem wiser and better to use the property we have, rather than to buy new property. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The attention of the Chair has been called by the parliamentarian to the fact that in connection with the amendment just agreed to, in line 25 the word "and", before the word "equipment", should be stricken out, and a comma should be substituted for it.

Mr. HILL. Mr. President, I ask unanimous consent that on page 46, in line 25,



the word "and" which appears before the word "equipment" be stricken out, and that in lieu of it a comma be inserted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, to the committee amendment I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 37, after line 16, it is proposed to insert a new subsection, as follows:

(i) The board shall designate the committees of the Agricultural Adjustment Agency in each State as the disposal agencies for all farm-size trucks and jeeps, declared to be surplus under this act, and shall distribute them to the States and to the Agricultural Adjustment Agency of each State in accordance with a formula consisting of one-third for area, one-third for population, and one-third for mileage of highways. The board shall fix the prices and prescribe the terms of sale and the people desiring to purchase any of said vehicles may buy them directly under said terms of sale prescribed by the board.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the committee amendment.

Mr. LANGER. Mr. President, inasmuch as the distinguished senior Senator from Colorado [Mr. JOHNSON], the chairman of the subcommittee of the Committee on Military Affairs, has no objection to the amendment, I ask unanimous consent that it be agreed to, and be allowed to go to conference.

Mr. JOHNSON of Colorado. Mr. President, I do not think there would be any objection to taking the amendment to conference; but it should be changed, it seems to me, so as to make the organization to which the amendment refers the disposal agency in those cases.

I presume it is not the intention of the Senator that trucks and jeeps be given away. I assume he desires to have them sold, rather than to have them given away. In that event the amendment should be changed so as to make the organization the Senator has in mind the disposal agency. If the Senator will perfect his amendment to that extent, we shall be glad to take it to conference.

Mr. LANGER. I shall do so.

The amendment, as modified, to the committee amendment is as follows:

On page 37, after line 16, insert a new subsection, as follows:

(i) The board shall designate the committees of the Agricultural Adjustment Agency in each State as the disposal agencies for all farm-size trucks and jeeps, declared to be surplus under this act, and shall apportion such trucks and jeeps for disposal in the several States in accordance with a formula consisting of one-third for area; one-third for population; and one-third for mileage of Federal highways. The board shall fix the prices and prescribe the terms of sale and the people desiring to purchase any of said vehicles may buy them directly under said terms of sale prescribed by the board.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, submitted by the Sen-

ator from North Dakota to the committee amendment.

The modified amendment to the amendment was agreed to.

Mr. WEEKS. Mr. President, yesterday evening just prior to the recess, I submitted an amendment to section 14 (f) on page 52, striking out, in line 2, the words "and operation." I desire to ask unanimous consent to withdraw that amendment, and to substitute the amendment I now offer, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 52, in line 4, after the word "bases", it is proposed to insert "Provided, That any loans to be made or guaranteed in connection with the operation of plants and facilities as provided herein shall not be made or guaranteed later than 6 months after such plants and facilities have been acquired and converted, nor shall such loans be extended for a longer period than 3 years, nor shall such loans be made to any small business enterprise which does not have an equity in the business at least equivalent to the amount of such operational loans."

Mr. WEEKS. Mr. President, yesterday evening, just before the recess, I submitted an amendment which called for the elimination of the words "and operation." The amendment was objected to by the distinguished junior Senator from Kentucky [Mr. CHANDLER] and the distinguished senior Senator from Colorado [Mr. JOHNSON]. In the pending amendment, I have modified the suggestion I made in the amendment I offered yesterday.

I desire to invite the attention of the Senate, Mr. President, to the fact that the pending bill purports to be one for the disposal of surplus property, including plants, equipment, and consumable or expendable supplies; in other words, everything which is determined to be surplus. In this particular section there appears, for the first and, I think, the only time in the bill, a provision which is entirely foreign, as I see it, to the real purpose of the bill itself. The purpose of the bill is to get rid of surplus property, but this particular section provides that the board may extend credit to assist the prospective purchasers to acquire such property. Here for the first time, and the only time in the bill, is a provision under which the board and its agent, the Smaller War Plants Corporation, may not only extend credit and help to acquire or convert, but also to operate a business. I submit that the purpose of extending credit to help in the operation of the business is foreign to the basic purpose of the legislation itself. I have recognized the wisdom of the suggestion made by the Senator from Kentucky [Mr. CHANDLER] and the Senator from Colorado [Mr. JOHNSON] that in acquiring property a small enterprise may need and legitimately require some assistance at the beginning of the operation of the enterprise. But I think that to retain the provision, as it is now in the bill, with no restriction as to the

amount and duration of the credit, would leave the door wide open for the Smaller War Plants Corporation to go into the business of loaning money without any restriction whatever for the operation of smaller enterprises.

In the amendment I have provided that if an enterprise seeks to acquire a plant, it may be loaned money for the acquisition of the plant and its equipment, or even to acquire some surplus property, such as raw materials, and so forth. If the prospective owner of the plant needs assistance to operate the business I provide in the amendment, Mr. President, that he may have such assistance. If he says that within 6 months of the time he acquires and converts the plant to operation he can make his requirement coincidental with the inauguration of the enterprise, let him have the assistance. But the request must be made within 6 months of the time the plant is ready to operate. If it is made thereafter, the credit may not be extended for more than 3 years.

I have further specified in the amendment that if the individual is to secure a loan for the purpose of operating the enterprise, he should have an equity in the business at least equal to the amount of the operational loan. In other words, in order to establish a business he may borrow from the Government \$150,000 for the plant, \$50,000 for the equipment, and \$50,000 for raw material. He may then need a \$50,000 loan to operate the business. I say that he must have at least an equity of \$50,000 in the business before he may obtain an operational loan.

Mr. President, I submit the amendment and urge its adoption.

Mr. CHANDLER. Mr. President, yesterday the Senator from Massachusetts offered an amendment on page 52, at the beginning of line 2, to strike out "and operation."

The reason for undertaking to help small business is first, that the country is interested in two things, namely, having the plants which are declared surplus property operated so that there may be production and employment. I assume that we are interested in not allowing the plants to be gobbled up by monopolies so that the big fellows will own them all and the little fellows will have no opportunity to acquire any. So we put the following subparagraph into the bill:

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises—

And so forth. Those loans are to be guaranteed within the authority of the Smaller Business Corporation Act. Of course, loans may be guaranteed for small business. We put the provision in the bill for several reasons. We wanted small business to be enabled to acquire, convert, and operate plants, and we wished to provide money for that purpose. There is also a provision in the bill that if the owners of the plants do not operate them, for any reason except an act of God or a public enemy, or because of circumstances beyond their control, the Government may repossess the



plants and pay a fair value for them. Unless the Smaller War Plants Corporation allows small plants to operate their properties, they cannot operate them, and consequently the plants will not be acquired or reconverted.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CHANDLER. I will yield in a moment. If the Senate wishes to allow groups of small businessmen to operate plants, I fear that unless the procedure now outlined in the bill is followed they will be entirely eliminated.

I now yield to the Senator from Ohio.

Mr. TAFT. I really do not think that the restrictions contained in the amendment are any more severe than those which the Smaller War Plants Corporation might reasonably impose. I do not believe that a small businessman should be allowed to operate a business on a shoestring.

Mr. CHANDLER. I do not assume that under the regulations of the board such a thing would be permitted.

Mr. TAFT. The proposed restrictions are very reasonable.

Mr. CHANDLER. I had not reached the proposal which has been made. I was confining myself to the proposal which was made yesterday, and which has now been abandoned. I wished to place the history of it before Members of the Senate who were not present yesterday when the matter was being considered. The subparagraph to which I have referred, being subparagraph (f), would authorize the Smaller War Plants Corporation—

To make or guarantee loans to small business enterprises in connection with the acquisition and conversion of plants and facilities, and, in cooperation with the disposal agencies to arrange for sales of surplus property to small business concerns on credit or time bases.

After the word "bases" the Senator from Massachusetts proposes to add:

*Provided, That any loans to be made or guaranteed in connection with the operation of plants and facilities as provided herein shall not be made or guaranteed later than 6 months after such plants and facilities have been acquired and converted—*

The bill provides that the operator of the plant may operate it for 2 years, and that at the end of that time if he has not operated it properly the Government may repossess the property and take it away from him.

The Senator from West Virginia will recall the discussion which was had in the committee on this point. Now there is to be provided a period of 3 years beyond which loans shall not be extended. I have no objection to limiting the authority of the Smaller War Plants Corporation, or any other agency in loaning money.

The language of the amendment continues:

nor shall such loans be extended for a longer period than 3 years, nor shall such loans be made to any small business enterprise which does not have an operational equity in the business at least equivalent to the amount of such operational loan.

I do not believe that would be any encouragement to a small businessman, al-

though I assume that no small businessman will be able to buy into a plant unless he has some equity. Unless he had some aid and encouragement from the Smaller War Plants Corporation he could not operate the plant, reconvert, or employ other persons. I assume that the purpose of the proposal is to facilitate the operation of small business. To what extent it would limit the operator in meeting a good banker's qualification for a loan I cannot state. The Government should do a little more for small business than the bankers do. It may be a sound banking proposal, but if the small businessmen are required to go to a banker and ask him for a loan, the banker would probably look at him coldly across the table and ask him for his collateral, and he might be unable to furnish it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. TAFT. I do not believe the Government or a bank should loan a man money in excess of the amount of capital he himself is willing to put into the enterprise. It seems to me that such a limit would be a proper one to be placed upon loans to be made to big business, little business, or any other kind of business. If we go beyond that point we encourage persons to go into business on a shoestring, when they are almost certain to fail. I think it is a very reasonable requirement that if we lend money to be used in operating any business the borrowers of the money should be able to put in at least an equal amount. The last provision of the amendment seems to me to be a reasonable limitation, and it would not interfere with any small businessman who wished in good faith to go into business.

Mr. CHANDLER. Suppose a man goes into a business and operates it for 6 months, does not have the necessary operating capital, and after 6 months he is through. Under the amendment who would operate the business?

Mr. TAFT. I suggest to the Senator we might lengthen the time from 6 months to 2 years.

Mr. CHANDLER. That would be within the meaning of the bill and that would give him a chance within a period during which the Government could, if circumstances arose, repossess the plant if the purchaser did not operate it. What we want is operation and employment and production by these plants. If we are going to convert the country to a peacetime operation we have got to give the little fellows a chance. If we make him dependent on a banker's condition we have not given him much chance.

Mr. TAFT. I suggested to the Senator that it might be changed from 6 months to 2 years.

Mr. CHANDLER. I do not object to a 3-year limitation; I want the time to be reasonable.

Mr. HILL. Mr. President—

Mr. CHANDLER. I yield to the Senator from Alabama.

Mr. HILL. I wish to call the attention of the Senate to the fact that, according to the evidence before the Small Business Committee through

September 1941, more than 75 percent of all civil contracts went to 56 large corporations and the remaining 25 percent were held by 6,000 out of the Nation's 174,000 manufacturers. I am sure there were many other manufacturers who did not fall within the classification of the 174,000 who were left out. Thousands of small manufacturers of this country could not get a contract with 75 percent of the contracts going to 56 large corporations.

In distributing and disposing of surplus property and in considering the economy of our country, the private enterprise system about which we talk so much and which we cherish so dearly demands that we make provision so that the smaller manufacturers may get some of the surplus property and some of the loans. The Smaller War Plants Corporation cannot loan one single dollar except the dollars which the Congress appropriates for the use of the Corporation. They are operating as our agents; they are operating with money which we give them, and we keep a constant check on them. If we want small business, small manufacturers to have a chance to get some of the surplus property and operate some of the plants and carry on business, we ought to leave the language of this bill as it is and place the authority in the Smaller War Plants Corporation subject to the rules and regulations of the board. To tie it, to hamstring it as is suggested by the amendment before the Senate might prove most harmful not only to smaller manufacturers but to the Nation's economy as well.

Mr. CHANDLER. If Senators will look into the restrictions imposed upon the R. F. C. as to the loans to big business, they will not find any such restriction as is here proposed. If the Senate wants to put itself on record as favoring restrictions on little fellows and no restrictions on the big fellows, it can adopt the amendment.

As I understand, the Senator from Massachusetts has no objection to making the period 2 years. I would not object to that, although I do not approve of it. I do not want to put myself in the position of approving an attempt to limit this help to small business. But with the 2-year and the 3-year provision, it is less objectionable than it was originally. Six months is entirely objectionable, and ought not to be adopted. The latter part of the amendment ought not to be adopted, because it imposes restrictions on small business that we have not imposed on large business or so-called big business.

Mr. STEWART and Mr. TAFT addressed the Chair.

Mr. CHANDLER. I yield first to the Senator from Tennessee. I promised to yield to him. Then I shall yield to other Senators in order.

Mr. STEWART. Mr. President, I should like to call the attention of the Senator to the following paragraph of section 1 which is under the head of objectives of this act.

Mr. CHANDLER. From what page is the Senator reading?



Mr. STEWART. Page 31. Among other things it is stated:

The Congress hereby declares that the objectives of this act are to facilitate and regulate the orderly disposal of surplus property—

(c) In the disposition of plant, equipment, and materials for use in further production—

(3) To foster the development of new independent enterprise.

Mr. President, here is the picture which is before the Senate: The time is not far distant, we hope, when about 12,000,000 men and women who are now in the armed forces of this country will be returning to their homes. We will be confronted by the problem of aiding those men and women in reestablishing themselves in the business world. Most of them have been drafted into the Army for the purpose of going to the battle fronts all over the globe and fighting a war for the defense of the United States of America. We have taken them away from their businesses, perhaps a filling station on the corner, perhaps a small machine shop, but, whatever it might have been, we have taken them away from their businesses and required them to give service in the Army of their country. Those men and women are entitled to receive at the hands of the Congress of the United States of America such aid and assistance as is necessary to enable them to reestablish themselves in business. It was with that in mind that there were written into the bill as one of its objectives the words "to foster the development of new independent enterprise."

Mr. CHANDLER. Does the Senator from Tennessee feel that the amendment would be helpful to that end?

Mr. STEWART. No, sir. Those who will come back from the war and be discharged from the Army probably will not have any money at all. Someone said they might want to try to operate on a shoestring. There have been plenty of businesses started in America by adventurous, enterprising industrialists whose shoestring operations have grown to large proportions and whose names have been written high among those who have achieved success. The fact that a man starts operations on a shoestring is no reason why we should be critical of him. I think we owe responsibility particularly to those in the armed services, as well as to those who, whether they are in the armed services or not, have seen their businesses disrupted and destroyed, to do what we can to help them become reestablished, even though their operations might be classified as of the shoestring variety. I think the amendment should be rejected.

Mr. REVERCOMB. Mr. President—

Mr. CHANDLER. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I feel that most of us are in accord with the views expressed by the able Senators who have spoken upon the subject with respect to the fostering and protection of the small businessman. Certainly I subscribe to that idea. I think, however, that there

is much soundness in the pending amendment, and I hope its soundness addresses itself to the Members of the Senate. I am particularly impressed with the feature of the offered amendment which provides that the Smaller War Plants Corporation, which means the Government, shall not loan more money to the borrower than he owns in the property on which he borrows the money. Of course, we are going to do all we can for the returning servicemen. We have made provision for them in the G. I. bill of rights, and I agree heartily with the able Senator from Tennessee [Mr. STEWART], who has just spoken, that the ex-serviceman should be helped; but I may say, Mr. President, that whether a business be large or small, it is very unsound practice for the Government to loan money beyond the value of the business. What will happen if that is done? Will it help small business? On the contrary, may I point out that it may become very hazardous to small business.

Very properly one of the objectives of this bill is to foster new enterprise. Have Senators thought that, in line with that objective, some fly-by-night operator may organize without investment of his own money and borrow beyond the value of the interest he has in the business?

As a member of the committee which reported the bill, I feel that the bill as written is good, but I think the pending amendment would be a helpful addition to it. If a man may borrow beyond the value of the property he has—and under the bill as it is written there is no limitation upon the amount that may be loaned—the consequence is that that business will soon be owned by the Government, and we will be back to the idea of Government operation, which is something we should avoid.

Mr. President, in my opinion, the amendment is a very sound one. I believe further that we owe it to the people of this country, whose money we are lending, not to lend beyond the value of the thing upon which we lend it. For that reason, as it is a sound proposition, I hope the amendment will be adopted.

Mr. LA FOLLETTE. Mr. President, I hope the amendment will not be agreed to. The competitive segment of our economy, the so-called small business segment, took a licking when this country converted from peace to wartime production. Despite all the efforts which were made by Congress by the creation of the Smaller War Plants Corporation, despite the activities of the so-called Truman committee, despite the activities of the Small Business Committee striving to assist small business and the competitive segment of our economy during the critical period of conversion from peace to wartime production, despite all those efforts, the facts show that the war had the effect of concentrating industry, of strengthening the monopoly segment of our economy, and of enhancing the power of strengthening the great corporations of the Nation. The excuse which was given was that because of the speed which was essential in the development and equipment of our armed forces and our Navy, procurement officers were forced by the necessity of circumstances

and the critical situation which confronted the Nation to turn to large business and to monopoly in order to obtain the supplies and the equipment and the ships which were necessary for our national defense and participation in the war.

I have never believed, Mr. President, that small business and the competitive segment of our economy was given sufficient protection in the conversion from peacetime to wartime production. But certainly in the disposal of surplus property, and in the disposal of the \$15,000,000,000 worth of Government-owned plants, there is no such national crisis, there is no necessity for the speed which was given as the excuse for pulverizing small business during the conversion from peace to wartime production. I believe that the conscious policy of Congress, as enunciated in the objectives of this bill, to stimulate small business, to give small business every possible legitimate opportunity, should be carried out in the terms of the measure. To impose the restrictions which are sought to be placed upon the loans which may be extended, as is contemplated by the pending amendment, would, in my judgment, go far toward defeating the announced objectives of this proposed legislation.

Mr. REVERCOMB. Mr. President—

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. Will the Senator please advise me—and I ask the question in all earnestness—wherein small business would be injured if the loans were restricted to the amount of the interest owned by the borrower? Certainly I take it the able Senator from Wisconsin would not have the funds of this country loaned to someone who had no interest in the business for which he borrows the money. If that should be done, then fly-by-night organizations and enterprises would rise over night and compete with established small business.

My point is that the restriction that the loan must be limited to the amount of the equity in the property of the borrower, is a sound provision, because to do otherwise would place one who is not earnestly in business in competition with the small businessman who already has his property.

Mr. LA FOLLETTE. Mr. President, I do not share the fears which the Senator from West Virginia has expressed. I feel certain that under the terms of the bill, as reported by the committee, loans will be extended only insofar as necessary in order to give small business enterprises which seek to obtain some Government-owned plants sufficient working capital in order to enable them to purchase the plants and successfully to establish their business enterprise. The moment we begin to place restrictions on the extension of loans to small business, we move in the direction of making more difficult a problem which is already very difficult so far as such business is concerned. We must lodge discretion somewhere if we are going to move at all in the direction of repairing the damage



which has already been done as a result of the concentration of war contracts and war business in the hands of big business.

I say in all sincerity, Mr. President, that in my opinion, the ultimate survival of democracy in America depends upon our strengthening, revitalizing and rebuilding the competitive segment of our economy. Each and every war in which this country has participated has resulted in a further concentration of industry, in a further strengthening of the monopoly segment of our economy, and every time we move in that direction the effect of our action is to deny the equality of economic opportunity which is essential to the survival of political democracy.

Perhaps some loans will be made, Mr. President, which upon strict business considerations might seem to be unwise, but realizing, as I think I do, that the great bulk of employment prior to this war was on the part of the so-called small business segment of our economy, realizing, as I think I do, the terrific problems which are going to confront this Nation once we begin to reconvert to peacetime production, I prefer to err on the side of a liberal and a generous and a direct effort to repair the damage which has been done to small business and to the competitive segment of our economy as the result of this war, rather than to be concerned lest perhaps a few injudicious loans may be made.

Mr. O'MAHONEY. Mr. President—The PRESIDING OFFICER (Mr. McKellar in the chair). Does the Senator from Wisconsin yield to the Senator from Wyoming?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. I interrupt the Senator merely to point out that I have not heard of any great effort to place any restrictions upon the loans which are made to what the Senator so properly called the monopoly segment of our industry. Big business has had no trouble in securing Government funds without restriction for the purposes contemplated, and I see no reason why we should here undertake to impose a restriction upon the judgment of the board. I believe its judgment will be discreetly used to build up our independent competitive economy.

Mr. LA FOLLETTE. Mr. President, let me add, in commenting upon what the able Senator from Wyoming has said, that even if we move with every facility at our command during the period of reconversion, toward the objective of revitalizing and strengthening the competitive segment of our economy, we shall find it most difficult indeed to repair even the damage which has been done in the period of war so far as that segment is concerned.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. I thank the Senator from Wisconsin for yielding to me again. In view of the statement which he has so ably made, I wish to say that I am in hearty accord with the objective expressed by him, namely, that of protecting the small businessman. I am quite sure that everything I have done

and said on the floor of the Senate or in committee has been toward that end. The Military Affairs Committee certainly worked toward that end, as the Senator from Kentucky [Mr. CHANDLER] well knows. We are all in accord upon the objective. The only question is as to the means of attaining the end.

The Senator from Wyoming stated that there was no restriction upon loans to big business. I think there is. Certainly there should be a restriction upon loans to any business, big or little. If the person who borrows money for a business has no interest in the business, and comes to the Government for the people's money, to use it for that business, he should not receive the money to set up such an enterprise in competition with genuine small business. That is my point.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WEEKS. Some comment has been made by the distinguished Senator from Wisconsin on the distinction which he believes is drawn between big and little business. First, let me say that I am in favor of some limitation on the lending of Government funds, regardless of who the borrower may be and regardless of the size of the business. But let us understand what we are talking about in connection with this amendment. An article written by Hon. Maury Maverick defines a small business as follows:

The Smaller War Plants Corporation defines it as a business with fewer than 500 employees.

Let me turn to a publication of the Department of Commerce, which sets forth that there are 1,809,000 industrial establishments in the country, and that approximately 99½ percent of them employ fewer than 500 employees. We are discussing a loaning power which is to be given to the Smaller War Plants Corporation under the proposal in the bill, without my amendment. We are talking about a loaning power to make loans to approximately 99½ percent of the industrial organizations of the whole country.

I have only this to add, Mr. President: I do not think it is good business for the United States Government to lend money without obligating the individual or enterprise borrowing the money to have some stake in the business. If we do not do so, under the terms of the bill as written, an individual or small enterprise may borrow money for plant, equipment, and raw materials with which to start operations, and then obtain a loan for working capital, obtaining all such loans without putting up a single dollar of his or its money. The bill as it is now written so provides. I do not believe that is good business.

Mr. LA FOLLETTE. Mr. President, I know that the Senator does not think it is good business. Yesterday afternoon the Senator from Massachusetts did not think it was good business to permit the Smaller War Plants Corporation to lend a nickel for the purpose of giving small concerns operating funds. I cannot

square the Senator's protestations about his interest in helping the competitive segment of our economy with the direction in which he is constantly moving, namely, to make it more difficult, if not impossible, under an admittedly difficult situation to begin with, for small business and small enterprise to have any part in connection with the disposal of \$15,000,000,000 worth of brand new plants which have been built in the United States with the taxpayers' money.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I ask the Senator from Wisconsin, who has made a very thorough study of this question, if it is not true that while 99½ percent of the businesses of the country may be classed as small businesses, during the war period the other one-half of 1 percent has received, not all the war contracts, amounting to billions of dollars, but a very large percentage of them. As I recall, 80 or 90 percent of the contracts have gone to that one-half of 1 percent.

Furthermore, our Government has spent billions of dollars in expanding the plants of the one-half of 1 percent, and has placed contracts with them at figures which would enable them to pay back those investments in 5 years. If that is the case, as I understand it to be, I should say that certainly there has been no discrimination against big business. There has been no discrimination in favor of small business. Small business has been at a disadvantage. If there is any way by which small business can be put back upon an equality with big business, it is not only our opportunity, but our duty to do so.

Mr. LA FOLLETTE. Mr. President, let us not forget that what we are talking about is the disposal of \$15,000,000,000 worth of Government-owned plants which have been built during the war. If we do not give small business and the competitive segment of our economy substantial and liberal assistance in its endeavor to have some opportunity to utilize a portion of these Government-owned plants, we all know that inevitably they will fall into the hands of the large concerns.

I have no antipathy to business concerns merely because of their size; but I am convinced that in this period of reconversion to peace we have a responsibility to do all in our power to strengthen the independent and small business competitive segment of our economy. As I previously stated, Mr. President, it is inevitably involved in the problem of the survival of democracy itself.

All we have to do is to study what has happened in those nations whose economy has become concentrated in the hands of a relatively few giant trusts. It makes no difference whether that occurs in an economy dominated by a philosophy of the extreme left or a philosophy of the extreme right. The fact remains that political democracy and human liberty have disappeared in the nations in which that economic consequence has taken place. If we wish to preserve democracy and the right of in-



dividual liberty in America, we must do all within our legitimate power to strengthen, buttress, and revitalize the independent and competitive segment of our economy so that we may maintain the irreducible minimum, at least, of equality of economic opportunity which is essential to the survival of political democracy.

Mr. CHANDLER. Mr. President, in the reconversion period a large number of smaller plants will require modern equipment for reconversion to peacetime production. The larger institutions have protected themselves, and enjoy a distinct advantage because of options obtained in connection with war contracts, which gives them a preference over all other purchasers, both as to Government plants and modern, up-to-date Government equipment. They do not have to purchase through dealers or speculators, or pay any intermediate profit, and they can buy in large quantities.

I am glad that this amendment has been presented, because it will give the Senate an opportunity to pass on this issue. Are we to permit large businessmen, who have money, who have made large sums of money during the war, and who have options in their contracts to buy plants and equipment, to have this further advantage with respect to property declared surplus by the Government, and paid for by all the people of the country? Are we to permit that advantage to be continued, even after the war is over and the emergency is past? Are we to say to the little fellow, "You are under a handicap. We have kept you down during these years. We have not been able to give you any new machinery or equipment. You struggled and operated despite the handicaps of insufficient equipment and lack of material, and yet you have survived." I submit that no enterprise which has not survived in this emergency is going to buy plants, machinery, or equipment. It must have survived. The man at the head of it must have had courage, and he must have gotten through these awful years. He has not had any help at all except what we have provided under the Smaller War Plants Corporation.

Mr. REVERCOMB. Mr. President, will the Senator yield to me for a question?

Mr. CHANDLER. I shall yield in a moment.

Mr. President, small business can acquire only such machinery as is not already preempted by options. The small businessman will be able to get what is left; what is declared surplus; what has not already been taken by the fellows who were wise enough to say in advance, "We want this and this and this, and when the war is over we will have the first chance to buy it."

The small businessman can buy in only limited quantities, sometimes requiring only one or a few units, such as lathes, and so forth. With the tremendous surpluses available, it should be one of our prime objectives to facilitate the acquisition by smaller plants of the most modern machinery. In this regard several things can be done by the Smaller War Plants Corporation to offset the

disadvantages under which the small concerns are laboring, as compared with the circumstances in which the larger plants find themselves, and to equalize the status, if they are granted the power to purchase surplus goods, as now provided in the Senate bill.

If we say to the small businessman, "Notwithstanding the fact that you have gone through this period and have suffered, and that your plant has worn out, you cannot get any of this new equipment and new machinery, even though it is available; and"—as was suggested yesterday—"even if you get it you cannot operate it, because we will not provide you with any assistance at all," what help will we be giving to small business? The big fellow does not need help. The little fellow must have it or else he will not be able to survive.

I want to have the widest opportunity afforded every small business in the country. There is nothing in the bill to indicate that the board or the Administrator will not utilize the normal channels of trade or will be guilty of bad business practices or will be guilty of loaning money to people who have no opportunity to succeed in the operation of their business, so that the Government will have to repossess. However, the bill contains clauses relating to repossession, if for any reason such persons cannot operate their plants successfully within 2 years.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. CHANDLER. I yield.

Mr. REVERCOMB. I am quite sure that the Senator and I are in accord on the very basic idea of assisting and strengthening small business in this country. During the debate there has been argument on many points which I think are not germane to the issue presented by the amendment.

I ask the Senator this question: I know we have been in agreement about assisting small business; but does the Senator believe that the Congress of the United States should authorize the loaning of money out of the Treasury to a person, beyond the value of the property on which it is loaned and beyond the capacity of the person to pay it back?

Mr. CHANDLER. I do not advocate such a thing, and there is nothing in the bill which authorizes such a thing. If I thought that any person who would take office under this bill would deliberately make foolish loans to persons on properties which could not be operated or could not succeed, and as to which the operators were unable to show there was a sound basis for making the loans, I would vote against conferring any authority upon the administrators. However, nothing like that is provided for in the bill.

I desire to find out, and I think it will be demonstrated, whether Senators are for little business in the reconversion period, whether they want little business to have an opportunity to obtain new machinery and new business, or whether they want the big fellows to gobble up the little fellows.

If Senators wish to give the little fellows all aid short of help, that is the way

to do it—to vote to render assistance to them, so far as mere words are concerned, but actually to give them no help. That will do what some may intend. But the little businessman will not be fooled.

I myself am a small businessman. I have a newspaper, with a press and a couple of linotype machines. We have not been able to obtain any parts for them. My friend the Senator from West Virginia is also a small businessman, although he operates on a larger scale than I do. His newspaper is managed and edited better than mine is, and the opinions in his newspaper are better than those in my small newspaper. But he knows that we have not been able to obtain any equipment at all during the war period; and all of us know that situated all over the country are other small plants which have gone through the emergency without being able to obtain any assistance. They have not asked for anything, and they have not expected anything, but they have survived.

Now, if Senators wish to say to those small plants, "We have protected the big fellows and have permitted them to have options on everything they want; but to you, all we can say is that we wish you well, and some day we shall get together and help you further," how much encouragement will that be to them?

I wish to have a vote taken on the question whether we wish to have property sold by the board set up under the bill to such little fellows, under proper rules and regulations, or whether such small businessmen can receive no help from us, and will have to depend on bankers' loans.

Mr. President, small businessmen do not need our help in order to get bankers' loans. They could have put mortgages on their property and could have paid 6 percent or more on the loans.

The Government not only has the obligation to keep 4 or 5, or 400 or 500 persons employed in these plants, but it has the obligation to help these people in the post-war period, on a sound basis, not on the basis of helping them to get bankers' loans.

I have no objection to bankers, but they are tough. It is necessary to put up as collateral an arm, or a leg, or something else that is vital, when it is desired to obtain assistance from them. But action on the part of the Government directed toward enabling small businessmen to obtain bankers' loans is not the help such businessmen need, and they understand that it is not.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CHANDLER. In a moment.

Mr. President, I make the plea that we help the little fellows, for they need help, and have not asked for anything thus far, and do not ask for anything now except the right to live and to make a living in their small communities. If we do not give them that opportunity, we shall not be helping them at all.

Now I yield to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, I disagree with the Senator when he says



the issue is between big business and little business. I desire to have the Senate vote to take from the Treasury such funds as are needed to render the necessary assistance to small businessmen.

Mr. CHANDLER. Oh, Mr. President, that would not help, because the Treasury is bare now. We owe \$300,000,000,000.

Mr. REVERCOMB. Mr. President, if I had my way in the matter, I would put the same restriction on both big business and little business, namely, that they cannot be loaned money if they cannot pay it back. The Senator says he would not permit that to be done.

Mr. CHANDLER. No; I have not said that. I do not yield for the purpose of having anyone quote me incorrectly. I am not in favor of making unsound loans to anyone, and no provision for such loans is made by the bill. But the Senator, in making loans to small business, would impose restrictions which the Reconstruction Finance Corporation would not impose in making loans to big business. If there is any little business that has any options or rights to buy surplus property after the war, I should like to have it pointed out. The only right little businesses have is the right to die, and everyone has that right.

Mr. REVERCOMB. Mr. President, I agree with the Senator when he states that money should not be taken from the Treasury to make bad loans, and the Senator has said he has faith that bad loans will not be made.

I say that we should place restrictions which would apply to all, big and little, so that the money of the people of the United States will not be used to make loans in an amount exceeding the value of the property.

Mr. CHANDLER. I understand that. But the amendment has been directed toward imposing restrictions on only the small businessmen.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. STEWART. I ask the Senator if it is not true that when we were converting from peacetime to wartime, when we were preparing for this war, the Government not only made enormous loans to those who were manufacturing war materials, but oftentimes built factories and gave them to such manufacturers or gave them options to purchase them?

Mr. CHANDLER. Certainly, Mr. President. We did all that during wartime. But when we come to reconverting to peacetime, we propose to say to the people whom we had to run over in the interest of national defense, "Now that we have time, we are going to give you a chance to rehabilitate and to come back."

Mr. STEWART. Is it not just as important to rehabilitate the small businessmen who, because of the war, have had their small businesses completely taken away from them, and who probably do not have any capital at all with which to make a come-back—is it not just as important to help that group of men as it was to help those who were actually manufacturing war materials for us?

Mr. CHANDLER. It certainly is. That is what we seek to do by the bill.

Mr. President, in order that the assistance will not be rendered to the big businessmen only, the amendment should be rejected, and I sincerely hope the amendment will be rejected by the Senate.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CHANDLER. I am about ready to yield the floor, but I will yield to the Senator if he wishes that I do so.

Mr. FERGUSON. I should like to say a few words on the amendment. I take it that we are attempting to pass a bill which will aid recovery, in case we have a slump or a large number of unemployed persons after the war. I am merely fearful that the amendment will not accomplish the good which its authors believe it will.

As I understand the amendment, the difficulty with it is that as a rule the small businessman does not have a large amount of working capital. His pay roll is his biggest item.

The amendment provides:

*Provided, That any loans to be made or guaranteed—*

In other words, if the small businessman went to a bank and tried to get sufficient money to take care of his pay roll for, let us say, a period of 6 months, he would have to obtain a loan of a certain size. If he did not have that much money in the business, he could not get a loan which would be sufficient, even if he did not use all of it at one time; he would not be able to obtain a loan by means of which he could see his way clear to run the plant for 6 months or for whatever period he needed the funds.

I think the amendment should be rejected. I think we should leave a certain amount of discretion in the hands of those who will perform the functions provided for in the bill, and we should hold them strictly accountable for proper operation. I believe that if we adopt this amendment, and thereby compel small businessmen to have a sufficient investment in their businesses so as to cover or be equal to the amount of money they would be loaned, we will have great difficulty in stimulating small business.

Mr. President, I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment to the committee amendment to the amendment was rejected.

Mr. JOHNSON of Colorado. Mr. President, a short time ago, in speaking to my colleague about inventories, I gave him assurance that the bill completely took care of soil-conservancy districts. I am afraid I gave him too strong assurance. I desire to withdraw the assurance I gave him with respect to soil-conservancy districts.

Mr. MILLIKIN. Mr. President, in order to meet the situation, I offer the amendment to the committee amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 47, at the end of line 10, it is proposed to insert "and conservancy districts"; and on the same page, at the end of line 21, it is proposed to insert "and conservancy districts."

Mr. MILLIKIN. Mr. President, the word used is "conservancy." I now address myself to my distinguished colleague the senior Senator from Colorado [Mr. JOHNSON]. I understand that the correct word should be "conservation."

Mr. JOHNSON of Colorado. The name may differ in different States.

Mr. HILL. Mr. President, the Soil Conservation Act is known as the Soil Conservation Act. I am quite sure the word which should be used is "conservation." I hope the Senator from Colorado will modify his amendment by substituting the word "conservation."

Mr. JOHNSON of Colorado. We are talking about a State agency. States may have different names for the same kind of an agency, but I believe that the word "conservation" would be a better one.

Mr. BURTON. Mr. President, some States use the word "conservancy." May I suggest that a better choice would be "or conservation"?

Mr. MILLIKIN. Mr. President, I modify my amendment by using the words "and conservancy districts."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Colorado to the committee amendment.

The modified amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, I ask the senior Senator from Colorado if action was finally taken on the suggested insertion of the words "the Contract Settlement Act of 1944" to be inserted after the word "of," in line 9, on page 75?

Mr. JOHNSON of Colorado. Yes; action was finally taken.

Mr. DANAHER. I know that the Senator assured us that such was his intention. I wondered if action had been finally taken.

Mr. JOHNSON of Colorado. The amendment was agreed to.

Mr. DANAHER. I thank the Senator.

Mr. JOHNSON of Colorado. I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48 in line 20, after the word "policies," it is proposed to insert the following:

The board may empower any owning agency subject to the regulations of the board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose not contrary to the objectives of this act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this act.

Mr. JOHNSON of Colorado. Mr. President, the proposed amendment



grew out of colloquy which took place yesterday between the Senator from Georgia [Mr. GEORGE] and the Senator from Vermont [Mr. AUSTIN] on the question of disposition by owning agencies. The amendment was worked out with the representative of the Under Secretary of War, and with the Senator from Wyoming [Mr. O'MAHONEY], and with the legal staff. Its purpose, as I understand it, is to give to the owning agency, to a certain extent, the status of a disposal agency.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the committee amendment.

The amendment to the amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 76, it is proposed to strike out lines 24 and 25; and on page 77, it is proposed to strike out lines 1 and 2 and insert in lieu thereof the following:

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a cost-plus-a-fixed-fee contract and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications of plans thereunder; except, in each case, any Government-owned machinery or equipment subject to a separate contract or contract article specifically governing its use or disposition.

Mr. GEORGE. Mr. President, the amendment which has just been read broadens the definition of "contractor inventory" in the bill, and plus the amendment which has already been agreed to, it is my judgment that it will remove the difficulties which were discussed on the floor yesterday.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DANAHER. Mr. President, on page 38, at the end of line 20, after the word "shall", I move to amend by inserting the words "subject to the approval of the board."

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 38, at the end of line 20, after the word "shall", it is proposed to insert the words "subject to the approval of the board."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment.

The amendment to the amendment was agreed to.

Mr. CORDON. Mr. President, on pages 66 and 67 of the bill there are provisions subjecting real property sold under contract to taxation by local government. On page 67, in line 1, appear the words "upon the purchaser's taking

possession thereof." In other words, the language provides that the land shall become subject to taxation, not upon its sale under contract, but upon the physical act of taking possession. I move that the words "upon the purchaser's taking possession thereof" appearing in line 1, on page 67, be stricken.

Mr. JOHNSON of Colorado. Mr. President, I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon to the committee amendment.

The amendment to the amendment was agreed to.

Mr. CORDON. Mr. President, further calling attention to the same section on page 67, I move that in line 4, after the word "property", the word "and" be stricken out and the word "but" be inserted in lieu thereof, and that in line 7, after the word "shall", the word "not" be inserted, and in the same line, after the word "extinguished", the following be inserted, "but may be foreclosed to the same extent and in the same manner as is provided in the cases of privately owned real property."

The purpose of the amendment is to subject to local taxation property sold under contract and to give local authorities the right to realize their taxes from the property.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 67, line 4, after the word "property" it is proposed to strike out the word "and" and insert in lieu thereof the word "but"; in line 7, after the word "shall" it is proposed to insert "not", and after the word "extinguished" it is proposed to add "but may be foreclosed to the same extent and in the same manner as is provided in the cases of privately owned real property."

Mr. CORDON. The purpose of the amendment is as I have already stated, Mr. President.

Mr. JOHNSON of Colorado. Is it the purpose of the amendment to foreclose property which belongs to the United States? Is that the effect of the amendment?

Mr. CORDON. The effect of the amendment, Mr. President, is to make the property subject to such taxes as may have been levied against it while it was held under contract, and in case the Government takes back the title, to make the property subject to foreclosure for the taxes which were levied while it was held under the contract unless the Government desires to pay the taxes. The Government would have its option either to pay the taxes levied under those circumstances, or allow the property to go. When the property is sold under contract and goes to private ownership to the extent, at least, of an equity, and is being operated as privately owned property, it takes its place in the financial arrangements of all local governments as a part of the tax-paying base. The local government has a right to have its equity in the property realized upon, either by the property being made subject to the tax, or by the Government paying the tax.

Mr. JOHNSON of Colorado. It seems unusual to subject property of the United States to foreclosure. That is what the amendment would do.

Mr. O'MAHONEY. Mr. President, I discussed the proposal with the Senator from Oregon earlier in the day. The section to which the amendment has been offered was adopted by the committee for the purpose of protecting the right of the States and local subdivisions to obtain tax revenue. The amendment which the Senator originally proposed to me was that the lien should not be extinguished. To that, I have no objection. I think it would be quite proper, and it would not involve, as the amendment which the Senator now offers, a foreclosure suit against the United States. If the Senator were content merely to provide that the lien should not be extinguished, then it would become an obligation to be paid by the next purchaser, and the State and the local subdivision would not be involved, it seems to me, in any foreclosure proceeding. I think what the Senator has in mind would be amply safeguarded by dropping out the latter portion of his amendment.

Mr. CORDON. Mr. President, as I view the suggestion of the Senator from Wyoming, if the provision simply meant that a lien should be on the property for taxes, but that the lien could not be realized upon, the lien might just as well not be there. The Senator suggests that if it remain, then at some other time the property may be sold and the new purchaser taking it will take it subject to the lien. In that case the United States would be in the position of reducing its price to the second purchaser to such an extent that the total purchase price would not be greater on account of the tax. In other words, the Government would be in exactly the same position, of ultimately paying the taxes. The main effect would be that there would be a dislocation to that extent in the orderly processes of local government, which when it placed the tax upon the particular lands, had raised or thought it had raised money for its ordinary operations, and then would find that that tax was not collectible, and to that extent that amount of money would have to be made up from other sources.

I suggest that the amendment as offered is a reasonable and logical protection to local government in the orderly development of its fiscal policies, and certainly is without any danger to the United States.

Mr. O'MAHONEY. Mr. President, my thought was merely that there are certain legal and constitutional difficulties about filing a suit against the United States, foreclosure suit or otherwise, and I think the Senator will gain his objective more effectively by accepting the suggestion which I make, that he drop that portion referring to foreclosures. The matter will go to conference.

Mr. CORDON. Mr. President, I think I shall adopt the suggestion of the Senator from Wyoming and modify the amendment to the extent of striking from the amendment the words "but may be foreclosed to the same extent and in the same manner as is provided in



the cases of privately owned real property."

Mr. JOHNSON of Colorado. As modified, Mr. President, there is no objection to the amendment.

The PRESIDING OFFICER. The question is upon agreeing to the modified amendment offered by the Senator from Oregon [Mr. CORDON], to the committee amendment.

The modified amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I now move that the Senate proceed to consider House bill 5125, to provide for the disposal of surplus Government property and plants, and for other purposes.

The PRESIDING OFFICER. The bill will be reported by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to; and the Senate proceeded to consider House bill 5125.

Mr. JOHNSON of Colorado. Mr. President, I move to strike out all after the enacting clause, and to insert in lieu thereof the text of Senate bill 2065, as amended.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to strike out all after the enacting clause of the House bill, and to substitute therefor the text of the Senate bill, as amended.

The motion was agreed to.

The PRESIDING OFFICER. The question recurs on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 5125) was passed.

The title was amended so as to read: "A bill to aid the reconversion from a war to a peace economy through the distribution of Government surplus property and to establish a surplus property board to effectuate the same, and for other purposes."

Mr. JOHNSON of Colorado. I move that the Senate insist upon its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. HILL, Mr. CHANDLER, Mr. AUSTIN, Mr. GURNEY, and Mr. REVERCOMB conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 2065 will be indefinitely postponed.

Mr. JOHNSON of Colorado. Mr. President, I move that House bill 5125 be printed, showing the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I desire to enter into the RECORD at this point a letter which I have received from Assistant Attorney General Wendell Berge with respect to certain monopoly features of the bill which has just been passed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,  
Washington, August 24, 1944.

Hon. JOSEPH C. O'MAHONEY,  
United States Senate,  
Washington, D. C.

DEAR SENATOR O'MAHONEY: You have indicated interest in my views concerning the effect upon the operation of the antitrust laws of the War Mobilization and Reconversion Act of 1944, passed by the Senate on August 11, and the Stewart-Taft-Murray bill, S. 2065.

The War Mobilization and Reconversion Act of 1944 provides, in section 204, that the Attorney General shall make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Stewart-Taft-Murray bill provides, as I understand it, in section 14, that the Administrator shall ask for the advice of the Attorney General before disposing of surplus property valued at a million dollars or more. The Attorney General is then required to advise the Administrator as to whether the proposed disposition would violate the antitrust laws and would encourage monopoly or undue concentration of industry or commerce, or restrain competition substantially.

It seems to me that these two provisions, section 204 of S. 2051, the War Mobilization and Reconversion Act of 1944, and section 14 of S. 2065, will be of importance in helping to preserve a free enterprise competitive system in this country.

Section 8 of S. 2065 provides that each Government agency charged with responsibility for disposal of surplus war property shall organize advisory committees with which it shall consult regarding policies and procedures to govern disposal of the various classes of surplus property. It provides that such committees shall be fairly representative of larger business units of the interested trade or industry, the smaller business units, labor groups, and interested farm, consumer, and other groups, if any. This section was undoubtedly drafted in order to make sure that the Government agencies had the advice and counsel of persons who might be affected by their decisions. Many of the war agencies, as you know, have had industry advisory committees, and the war agencies and the Department of Justice have, I believe, worked out principles and requirements for these committees which protect the public interest. It is, I believe, extremely important that committees of private persons chosen to represent private interests, even though well chosen and fully representative, should be subject to certain definite limitations and requirements. Thus their function should be only advisory and consultative. If their activities go beyond advisory functions, these committees, composed as they are of persons representing private interests, will represent the handing of governmental power to private groups. It is extremely important in any free enterprise competitive system that the individual citizen be not put into a posi-

tion where his competitor, as a member of an advisory committee, can determine his business future; such a situation would not be fair to either party.

The danger is real, however, that such may be the case unless certain safeguards are provided in the acts dealing with advisory committees. The path to a re-created N. R. A. can be a very simple path, indeed, if advisory committees are set up under legislative authority and without the safeguards which would prevent these committees from engaging in private activities to allocate or restrict production, fix prices, or to discriminate against competitors. I do not mean to imply that industry committees have engaged in these activities in the past, or will necessarily, or even probably, do so in the future, but legislative enactment of industry advisory committees without safeguards is definitely on the road away from the free-enterprise competitive system.

I understand that in order to safeguard the activities of these committees and in order to permit them to carry on their proper functions, S. 2065 now specifically provides that such committees shall perform only advisory and consultative functions and shall not be authorized to promulgate or administer policies and procedure which shall be the responsibility of the respective Government agencies, and further provides that "full information on all such committees shall be submitted to the Attorney General and no such committee shall continue any operations or activities which the Attorney General finds and certifies to the appropriate Government agency tend to promote the restraint of trade or the extension of monopoly." With these safeguards, I believe that this section is entirely appropriate and useful.

The Colmer bill, H. R. 5125, has in it a provision dealing with advisory committees, which appears as section 4 (b) of the bill. This section, however, has no safeguards and, as I have indicated above, with the best intentions in the world, this kind of a provision, without safeguards, can result in another N. R. A. I believe that safeguards similar to those included in S. 2065 ought to be incorporated in the Colmer bill. I know you agree that during the crucial days which lie ahead it is particularly important that we attempt to protect our competitive system.

Sincerely yours,

WENDELL BERGE,  
Assistant Attorney General.

Mr. WHERRY. Mr. President, now that the bill has been passed by the Senate, I should say that I feel there is no further need to consider Senate bill 1913. I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared concerning that bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, on May 12 the junior Senator from Montana [Mr. MURRAY], as chairman of the Special Committee to Study the Problems of American Small Business Enterprise, introduced a bill, S. 1913, for himself and included my name as cosponsor.

There are provisions incorporated within the committee print of Senate bill 1913 that had not come to my attention and with which I was unfamiliar, but inasmuch as the committee print was to be offered for the special committee, I reluctantly permitted my name to remain on the bill although I am in complete disagreement with some of its provisions.

Now that the Senate has passed reconversion legislation, many of the provisions in which I was especially interested in Senate bill 1913 have been taken care of, and I wish to make it perfectly clear that from this



date, I ask that my name be disassociated from Senate bill 1913 and that should more copies of the committee print be issued, I respectfully ask that my name be deleted as cointroducer of the bill.

#### INVESTIGATION OF CONDITIONS AFFECTING THE CATTLE INDUSTRY

Mr. WHERRY. Mr. President, from time to time during the past week or 10 days I have attempted to have reported from the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 309, signed by 24 Senators, asking for an immediate investigation into the cattle industry, from the producers of feeders to the processors and through to the consumers. That resolution is still in committee. I ask unanimous consent to have printed at this point in the body of the RECORD as a part of my remarks a statement which I have prepared on the subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, calling the attention of the Senate again to Senate Resolution 309 which is now in the hands of the Committee to Audit and Control the Contingent Expenses of the Senate, I am again advocating that this resolution be reported out immediately by this committee, as it is imperative that the investigation, particularly of the cattle industry, from the producer to the consumer, be made at once.

There is much history that I could give you regarding past actions of the Office of Price Administration, but this is well known to everyone. Practically every step that the Price Administrator has taken since the passage of the Price Stabilization Act and the setting up of the Office of Price Administration has tended to discourage the production of an adequate beef supply.

Other Government agencies have added to the disruption of this essential industry.

During the year 1944, the corn freeze order restricting the moving of corn in 125 counties in 4 Midwestern States that represent the largest production of fed beef of any other counties in the United States, resulted in the premature marketing of thousands of cattle that normally would have been kept in the feed lot for a period from 60 to 90 days longer. This would have meant an increase in the weight of each animal from 150 to 250 pounds.

The corn freeze order not only discouraged farmers from keeping cattle in the feed lot for the normal feeding period, but discouraged their purchase of cattle for the feed lot during the last 3 months. The Department of Agriculture just announced a 41 percent decrease in the number of cattle on feed in the 11 principal feeding States on August 1 as compared with a year ago.

In the last few days, the War Food Administration has increased the set-aside order of beef grading from "good" to "choice" for the armed forces to 50 percent.

O. P. A. regulations and the administration of, or lack of administration of those regulations have resulted in a tremendous movement of beef through black-market channels. Better grades of beef move through such channels. Of the good and choice beef left that should move through civilian channels, not over 15 percent of that will be available, because of the movement of the beef into black markets. This all means that civilians are not going to have, for the next 90 days at least, even a reasonable amount of good and choice beef for consumption; and unless something is done immediately to encourage Corn Belt feeders to purchase the cattle now moving from the western range and take them into their

feed lots for finishing, we will not have edible beef during 1945.

This is the time of year that cattle move from the western grasslands to the markets. Of this movement 25 to 30 percent should go for slaughter and a large percentage of it would be utility-grade beef. The balance should move into the Corn Belt for feeding and the feeding of these animals would raise the grade of this beef from utility to good to choice.

Because of the large amount of utility beef that is available to packers for slaughter, these cattle are selling far below the minimum prices set out in the Vinson directive. He still qualifies for subsidies on these cattle because he figures his entire drove to determine whether or not he is complying. At the present time he is buying few of the better-grade cattle because there are only a few available above the maximum prices.

The question is, Are we going to keep faith with these people who are now marketing cattle, and see to it that they receive the minimum prices as set out in the Vinson directive? And are we going to keep faith with the civilian population and see that they have available an adequate supply of edible beef?

The normal consumption of corn by beef cattle is 300,000,000 bushels. According to the Department of Agriculture's last figures on the corn crop this year, there will be approximately 3,000,000,000 bushels of corn raised. With reduced production of hogs in 1944, there is available 600,000,000 bushels of corn for beef cattle, which still leaves sufficient corn for all other uses.

This is the season that the grass cattle are moving and immediate steps must be taken to correct this situation and encourage the movement of these cattle into the feed lots of the Corn Belt. Unless this is done, we are going to see congestion in the market centers because of the lack of slaughtering facilities to slaughter the large number of these grass cattle that are being made available to the packer for slaughter because the Corn Belt farmers are not taking them into their feed lots.

A field investigation as asked for in Senate Resolution 309 will provide a solution, or at least the basis for a solution, of this problem and that investigation must necessarily consider the failure of the Government to pay support prices to producers who produce cattle out in the Plains States of this country.

We could adduce evidence from the cattle feeders who feed our corn to the cattle and we could thus find out why it is there is a shrinkage of 41 percent in feeder cattle in the feed lots of this country.

We should also take evidence from the processor, the distributor, the consumer, and we thus could develop unbiased and unprejudiced testimony on the subsidy program as it operates and affects the prices of different classes and grades of cattle.

We then would be in a much better position to offer constructive legislation to correct a program which now admittedly is very much disorganized, disordered, disrupted, and injurious to the cattle producer.

We must have constructive legislation which will permit an orderly production and marketing of stocker cattle; which will provide a satisfactory margin in feeding cattle. This will enable us to have a surplus of fat cattle for the meat shops of this country, because in the final analysis, a surplus of fat cattle beef is the one effective way to control prices and avoid inflation.

#### POST-WAR CONSTRUCTION OF HIGHWAYS AND BRIDGES

Mr. HAYDEN. Mr. President, I ask Senators to examine Calendar No. 1072, Senate bill 2105, to provide for post-war Federal-aid highway legislation. This is most important legislation, worthy of

consideration by Senators, and I expect at some convenient time to bring the subject to the attention of the Senate. I hope Senators will take occasion to examine the bill and the report, which summarizes the purpose to be accomplished, so that if the bill is called before the Senate they will be familiar with its terms.

#### AUTHORIZATION TO SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL-DEFENSE PROGRAM TO FILE REPORT DURING RECESS OF THE SENATE

Mr. MEAD. Mr. President, I ask unanimous consent that the Special Committee to Investigate the National Defense Program be given permission to file with the clerk of the Senate during the recess of the Senate for the remainder of the session, reports on matters now under investigation.

Mr. WHITE. Mr. President, is the Senator asking authority to file reports during the period of time when the Congress is in recess, or during the remainder of the session of this Congress?

Mr. MEAD. During recesses which may be taken during the remainder of the present session of Congress. It is my intention only to file reports on investigations now in progress, and I assume that at least from now until election we will be away much of the time. We only want to file reports with the Secretary of the Senate.

Mr. WHITE. The present session of Congress is not going to end until probably well into December. It seems rather extraordinary to request such extended leave to file reports. Cannot the Senator narrow the time? Why does not the Senator limit his request to the next recess of the Senate?

Mr. MEAD. The Senate may take a recess from tonight until Monday.

Mr. WHITE. Why would it not be appropriate to ask leave to file reports during the recess between now and Monday; and then, depending upon conditions, submit another request? It seems to me rather extraordinary to ask permission to file reports during recesses of the Senate for the remainder of this Congress. I do not wish to consent to such a request.

Mr. MEAD. It would be necessary for the committee to submit similar requests every few days. I wonder if we could not agree to a unanimous-consent request covering the next 30 days?

Mr. WHITE. That would be agreeable to me.

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. MEAD. I so modify the request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. MALONEY. Mr. President, it seems to me an extraordinary procedure, and I am hopeful that the minority leader will not too readily yield to the generous suggestion of the able Senator from New York. I do not see anything wrong about it in this instance, but we may establish a precedent which will rise to plague us later. I think it would be proper to make such a request im-



mediately before any recess of the Senate.

Mr. MEAD. Mr. President, I ask unanimous consent that the committee be permitted to file its reports with the Secretary of the Senate during the forthcoming recess of the Senate. A little later, when we can perhaps agree to take a recess for a period of 30 days, I shall renew my request for the period of the recess.

Mr. MALONEY. The request as it is now put is entirely satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York [Mr. MEAD] as modified? The Chair hears none, and it is so ordered.

#### LEGISLATIVE PROGRAM

Mr. VANDENBERG. Mr. President, can the Senator from Alabama make any statement regarding the probable work of the Senate next week?

Mr. HILL. Mr. President, let me say to the distinguished Senator from Michigan that I know of no important business to come before the Senate until the conference reports on the George bill and on the property disposal bill, which the Senate has just passed, are brought back to the Senate.

Mr. VANDENBERG. When does the Senator contemplate that those reports will be brought to the Senate?

Mr. HILL. I believe the Senator's opinion on that question is perhaps as good as mine. Of course, it is impossible to say how long a time will be required for the conference on the property disposal bill, which the Senate has just passed. I assume that several days will be required.

As I understand, the George bill has not yet passed the House, but is scheduled for early consideration. That bill will have to go to conference.

Mr. VANDENBERG. When is it scheduled for consideration in the House?

Mr. HILL. I am advised that the House will take up the George bill on Tuesday.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. Is the distinguished acting majority leader in a position to express any opinion as to what is to follow disposition of the two conference reports?

Mr. HILL. I will say to the distinguished minority leader that at this time I am not in a position to state what may follow the disposition of those two conference reports.

Mr. WHITE. I thank the Senator.

#### EXECUTIVE SESSION.

Mr. HILL. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORT OF A COMMITTEE

Mr. HILL (for Mr. TUNNELL), from the Committee on Interstate Commerce, reported favorably the nomination of Leland Olds, of New York, to be a member of the Federal Power Commission for the term expiring June 22, 1949. (Reappointment.)

THE PRESIDING OFFICER (Mr. McKELLAR in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. HILL. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

That completes the calendar.

#### RECESS TO MONDAY

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, August 28, 1944, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate August 25 (legislative day of August 15), 1944:

#### POSTMASTERS

##### ILLINOIS

James W. Arnold, Jr., Alto Pass.  
Isaac E. Hortenstine, Gays.  
Frank C. Stofa, Riverside.

##### LOUISIANA

Agnes B. Subra, Convent.

##### MASSACHUSETTS

Chester W. Robinson, Accord.  
Kendall E. Andrews, Berlin.  
Kate S. Taylor, Boylston Center.  
Joseph A. Cantin, Clifford.  
Ruth B. King, Colrain.  
Linda F. Howard, Eastondale.  
Nellie T. Huskin, Kenberma.  
George H. LaCroix, Leeds.  
George E. Plante, Manchaug.  
Estelle E. Dionne, Ocean Grove.  
Ruth P. Rossier, Paxton.  
Evelyn I. Staples, Segreganset.  
John C. Jackson, Sherborn.  
David S. Caldwell, South Byfield.  
Harold L. Laplante, South Vernon.  
John H. O'Toole, Sterling Junction.  
Anna J. Rusek, Three Rivers.  
Rita G. Anderson, West Chelmsford.

##### WISCONSIN

Abraham A. Siegel, Hawthorne.  
Gregor John Bock, Highland.  
Henry Magnuson, Irma.

H. R. 5125

## AUGUST 25 (legislative day, AUGUST 15), 1944

# AN ACT

1        *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

4       SECTION 1. The Congress hereby declares that the ob-  
5       jectives of this Act are to facilitate and regulate the orderly  
6       disposal of surplus property so as—

7           (a) to assure the most effective use of such prop-  
8       erty for the purposes of war and national defense;

9            ~~(b)~~ to facilitate the transition of enterprises from  
10        wartime to peacetime production and of individuals  
11        from wartime to peacetime employment;



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1 ment agency designated under section 8 of this Act to dispose  
2 of one or more classes of surplus property.

3 (d) The term "property" means any interest, owned  
4 by the United States or any Government agency, in real  
5 or personal property, of any kind, wherever located.

6 (e) The term "surplus property" means any property  
7 which has been determined to be surplus to the needs and  
8 responsibilities of the owning agency in accordance with  
9 section 6 of this Act.

10 (f) The term "contractor inventory" means (1) any  
11 property related to a terminated contract of any type with  
12 a Government agency or to a subcontract thereunder; and  
13 (2) any property acquired under a cost-plus-a-fixed-fee  
14 contract and in excess of the amounts needed to complete  
15 performance thereunder; and (3) any property which the  
16 Government is obligated to take over under any type of  
17 contract as a result of any change in the specifications or  
18 plans thereunder.

19 (g) The term "care and handling" includes repairing,  
20 converting, rehabilitating, operating, maintaining, preserv-  
21 ing, protecting, storing, packing, handling, and trans-  
22 porting.

23 (h) The term "option" means any contractual right  
24 to retain or acquire any property at a price and upon terms  
25 prescribed or determined by or under the contract.



1       (i) The term "person" means any individual, corpora-  
2       tion, partnership, firm, association, trust, estate, or other  
3       entity.

4       (j) The term "Administrator" means the Surplus Prop-  
5       erty Administrator.

6                               SURPLUS PROPERTY ADMINISTRATOR

7       SEC. 3. (a) There is hereby established the Surplus  
8       Property Administration which shall be headed by a Surplus  
9       Property Administrator. The Administrator shall be ap-  
10      point by the President by and with the advice and consent  
11      of the Senate and shall receive compensation at the rate of  
12      \$12,000 per year. The term of office of the Administrator  
13      shall be two years.

14      (b) The Administrator may, within the limits of funds  
15      which may be made available, employ and fix the compen-  
16      sation of necessary personnel in accordance with the pro-  
17      visions of the civil-service laws and the Classification Act of  
18      1923 and make expenditures for supplies, facilities, and  
19      services necessary for the performance of his functions under  
20      this Act. The Administrator shall perform the duties im-  
21      posed upon him through the personnel and facilities of the  
22      established Government agencies so far as consistent with  
23      his duty to insure uniform and efficient administration of the  
24      provisions of this Act.

25      (c) The Administrator shall have general supervision

1 and direction, as provided in this Act, over (1) the care and  
2 handling and disposition of surplus property and (2) the  
3 transfer of surplus property between Government agencies.

4 SURPLUS PROPERTY ADVISORY BOARD AND SALES AND  
5 DISTRIBUTION ADVISORY COMMITTEES

6 SEC. 4. (a) There is hereby created a Surplus Property  
7 Advisory Board with which the Administrator shall advise  
8 and consult. The Board shall be composed of the Admin-  
9 istrator, who shall act as its Chairman, and of the Secre-  
10 tary of State, the Secretary of the Treasury, the Secretary  
11 of War, the Secretary of the Navy, the Attorney General, the  
12 Secretary of Commerce, the Secretary of the Interior, the  
13 Secretary of Agriculture, the Secretary of Labor, the Chair-  
14 man of the Board of Directors of Smaller War Plants Cor-  
15 poration, the Chairman of the United States Maritime Com-  
16 mission, the Chairman of the War Production Board, the  
17 Administrator of the War Food Administration, the  
18 Administrator of the Federal Works Agency, the Chairman  
19 of the Civil Aeronautics Board, Civil Aeronautics Adminis-  
20 tration Administrator, and the Administrator of the Foreign  
21 Economic Administration, or any alternate or representative  
22 designated by any of them.

23 (b) The Administrator shall appoint, without regard to  
24 the provisions of the civil-service laws and the Classification  
25 Act of 1923, a sales and distribution advisory committee



1 of not less than nine members for each class of property  
2 which is to be sold or otherwise disposed of. The members  
3 of each such advisory committee shall be appointed from  
4 among persons who, by reason of their business experience,  
5 are familiar with the handling and marketing of such class  
6 of property, or similar property, and shall include representa-  
7 tives of both small and large established retail and whole-  
8 sale distribution firms and manufacturers (where general  
9 manufacturer interest exists). Members of these commit-  
10 tees shall serve without pay, but shall be compensated for  
11 their actual traveling and subsistence expenses while absent  
12 from their homes in performance of their committee duties.

13

## REPORTS TO CONGRESS

14 SEC. 5. (a) Within three months after the enactment  
15 of this Act, and thereafter in January, April, July, and  
16 October of each year, the Administrator shall submit to the  
17 Senate and House of Representatives a progress report on  
18 the exercise of his authority and discretion under this Act,  
19 the status of surplus property disposition, and such other  
20 pertinent information on the administration of the Act as  
21 will enable the Congress to evaluate its administration and  
22 the need for amendments and related legislation.

23 (b) The Administrator shall submit to the Senate and  
24 House of Representatives copies of the regulations prescribed  
25 by him from time to time under this Act within ten days

1 after the publication of such regulations in the Federal  
2 Register.

3           DECLARATION OF SURPLUS PROPERTY

4       SEC. 6. (a) Each owning agency shall have the duty  
5 and responsibility continuously to survey the property in its  
6 control and to determine which of such property is surplus  
7 to its needs and responsibilities. If, in the course of the  
8 performance of his duties under this Act, the Administrator  
9 has reason to believe that any owning agency has property  
10 which is surplus to its needs and responsibilities which it has  
11 not reported as such, the Administrator shall promptly report  
12 that fact to the Senate and the House of Representatives.

13       (b) Each owning agency shall promptly report to the  
14 appropriate disposal agency all surplus property in its con-  
15 trol which the owning agency does not dispose of under  
16 section 7.

17           DISPOSITION BY OWNING AGENCY

18       SEC. 7. (a) Subject only to the regulations of the  
19 Administrator with respect to price policies, any owning  
20 agency may dispose of any property for the purpose of war  
21 production or authorize any contractor with such agency or  
22 subcontractor thereunder to retain or dispose of any con-  
23 tractor inventories for the purpose of war production.

24       (b) Subject to subsection (c) of this section, and in  
25 accordance with the policies governing the disposition of



20 SEC. 8. (a) The Administrator, by regulations, shall  
21 designate one or more Government agencies to act as dis-  
22 posal agencies under this Act and shall prescribe the class  
23 or classes of surplus property to be disposed of by each such  
24 agency: *Provided, however,* That the United States Maritime

1 Commission shall be the sole disposal agency for merchant  
2 vessels or vessels capable of conversion to merchant use, and  
3 that such vessels shall be disposed of in accordance with the  
4 provisions of the Merchant Marine Act, 1936, as amended,  
5 and other laws authorizing the sale of such vessels.

6       ~~(b)~~ When any surplus property is reported to it under  
7 subsection ~~(b)~~ of section 6, the disposal agency shall have  
8 responsibility and authority for the disposition of such prop-  
9 erty, and for the care and handling of such property pending  
10 its disposition. Where the disposal agency is not prepared,  
11 at the time of its designation under this Act, to undertake  
12 the care and handling of such surplus property, the Adminis-  
13 trator may postpone the responsibility of the agency to  
14 assume its duty for care and handling for such period as  
15 he deems necessary to permit its preparation therefor.

16       ~~(c)~~ The Administrator, by regulations, shall prescribe  
17 policies, standards, methods, and procedures to govern the  
18 exercise by any disposal agency of its authority under sub-  
19 section ~~(b)~~ of this section.

20       ~~(d)~~ The Administrator shall provide for the disposal  
21 of all surplus property in the smallest practicable lots con-  
22 sistent with the usual and customary commercial practice,  
23 and so long as opportunity exists for the disposal of property  
24 to prospective purchasers of smaller lots thereof, preference



1 shall be given to such purchasers over prospective purchasers  
2 of larger amounts.

3 TRANSFERS BETWEEN AGENCIES

4 SEC. 9. (a) The Administrator shall establish pro-  
5 cedures to facilitate the transfer to each Government agency,  
6 for the performance of its functions, of surplus property of  
7 other Government agencies. Each Government agency shall  
8 make the fullest practicable use of surplus property in order  
9 to avoid unnecessary commercial purchases.

10 (b) The disposal agency responsible for any such prop-  
11 erty shall transfer it to the agency acquiring it at the fair  
12 value of the property as fixed by the disposal agency, under  
13 regulations of the Administrator, unless transfer without  
14 reimbursement or transfer of funds is otherwise authorized  
15 by law.

16 METHODS OF DISPOSITION

17 SEC. 10. (a) (1) Wherever any Government agency  
18 is authorized to dispose of property under this Act, then  
19 the agency may dispose of such property by sale, exchange,  
20 lease, or transfer, for cash, credit, or other property, with or  
21 without warranty, and upon such other terms and conditions,  
22 as the agency deems proper: *Provided*, That no combat  
23 naval vessel, station, or establishment shall be sold, ex-  
24 changed, leased, transferred, or otherwise disposed of except  
25 in accordance with provisions of existing law specifically

1 authorizing the same; and in all cases where such trans-  
2 actions have not been so specifically authorized, then no  
3 sale, exchange, lease, transfer, or other disposition of any  
4 combat naval vessel, station, or establishment shall be made  
5 unless the Congress by law shall authorize it: *Provided fur-*  
6 *ther,* That the Navy Department shall be the sole disposal  
7 agency for all such combat vessels, stations, and establish-  
8 ments.

9       ~~(2)~~ Surplus farm commodities shall not be sold in the  
10 United States under this Act in quantities in excess of, or  
11 at prices less than, those applicable, with respect to sales of  
12 such commodity by the Commodity Credit Corporation,  
13 unless such commodity is being disposed of, pursuant to this  
14 Act, for export at competitive world market prices.

15       ~~(b)~~ Whenever the Government agency authorized to  
16 dispose of any property finds that it has no commercial value  
17 or that the cost of its care and handling and disposition  
18 would exceed the estimated proceeds, the agency may donate  
19 such property to any agency or institution supported by the  
20 Federal Government or any State or local government, or  
21 to any nonprofit educational or charitable organization, or,  
22 if that is not feasible, shall destroy or otherwise dispose of  
23 such property, but, except in the case of property the imme-  
24 diate destruction of which is necessary or desirable either  
25 because of the nature of the property or because of the



1 expense or difficulty of its care and handling, no property  
2 shall be destroyed in the United States until thirty days  
3 after public notice of the proposed destruction thereof has  
4 been given and an attempt has been made within such thirty  
5 days to dispose of such property otherwise than by  
6 destruction.

7 (c) The Administrator, by regulations, shall prescribe  
8 such policies governing prices and other terms and condi-  
9 tions of dispositions under the authority of subsections (a)  
10 and (b) of this section, as he deems necessary to effectuate  
11 the objectives and policies of this Act.

12 (d) A deed, bill of sale, lease, or other instrument exe-  
13 cuted by or on behalf of any Government agency purporting  
14 to transfer title or any other interest in property under this  
15 Act shall be conclusive evidence of compliance with the pro-  
16 visions of this Act insofar as title or other interest of any  
17 bona fide purchasers for value is concerned.

#### 18 POLICIES GOVERNING DISPOSITION

19 SEC. 11. In formulating regulations to govern the care  
20 and handling and disposition of surplus property under this  
21 Act, the Administrator shall be guided by the objectives  
22 stated in section 1 of this Act, and shall give effect to the  
23 following policies to the extent feasible, and in the public  
24 interest:

25 (a) To facilitate transfers of surplus property of one

1 Government agency to other Government agencies for their  
2 use.

3 (b) To afford public, governmental, educational, chari-  
4 table, and eleemosynary institutions, States, Territories, their  
5 political subdivisions, insular possessions, and the District of  
6 Columbia, volunteer fire companies, and cooperative organi-  
7 zations, an opportunity to fulfill their legitimate needs.

8 (c) To afford returning veterans an opportunity to  
9 establish themselves as proprietors of agricultural, business,  
10 and professional enterprises.

11 (d) To afford those serving in the Army, Navy, Marine  
12 Corps, and all war veterans an opportunity to purchase single  
13 units or small lots of any surplus property at the same price  
14 for which such property has been sold or offered for sale  
15 in large lots.

16 (e) To encourage and foster post-war employment  
17 opportunities.

18 (f) To afford business concerns, both small and large,  
19 opportunities to purchase surplus property on equal terms;  
20 to provide as far as practicable for uniform and wide public  
21 notice concerning surplus property available for disposition  
22 and for adequate time intervals between notice and disposi-  
23 tion so that all interested persons shall have a fair opportunity  
24 to acquire; to protect established business concerns against  
25 unfair Government competition by utilizing commercial chan-



1 nels of distribution in lieu of making direct sales to consumers  
2 so long as a demand for the item in question exists in estab-  
3 lished commercial channels; to refuse to sell to speculators or  
4 persons who would freeze surpluses in large quantities for  
5 any purpose whatsoever except in those cases where a  
6 thorough testing of markets shows that said surpluses cannot  
7 be disposed of through established trade channels; to pro-  
8 hibit the reimportation into the United States of any  
9 surpluses sold for export.

10 ~~(g)~~ To afford former owners of surplus real property  
11 acquired by the Government by the exercise of its war powers  
12 an opportunity to reacquire such property.

13 ~~(h)~~ To dispose of land in the United States, acquired  
14 by the United States after July 2, 1940, which the Ad-  
15 ministrator deems suitable only for agricultural use—

16 ~~(1)~~ by affording to the person or persons from  
17 whom such land was acquired by the United States a  
18 reasonable opportunity to reacquire such land at a price  
19 not greater than that for which it was so acquired by  
20 the United States, such acquisition price being properly  
21 adjusted to reflect any increase or decrease in the value  
22 of such land resulting from action by the United States;  
23 and

24 ~~(2)~~ if not disposed of as provided in paragraph  
25 ~~(1)~~, and if the Administrator deems that the land

1 should be disposed of for agricultural uses, in parcels  
2 not larger than suitable for the needs of one family unit;  
3 not more than one parcel to a family unit, and only for  
4 use as agricultural land and home by such family unit.

5 (i) To dispose of surplus property as promptly as fea-  
6 sible without fostering monopoly or restraint of trade, or  
7 unduly disturbing the economy, or encouraging hoarding  
8 of such property; and to facilitate prompt redistribution of  
9 such property to consumers.

10 (j) To prevent insofar as possible unusual and excessive  
11 profits being made out of surplus property.

12 (k) To realize the highest obtainable return for the  
13 Government from such surplus property, consistent with the  
14 policies and objectives set forth in this Act.

15 **APPLICABILITY OF ANTITRUST LAWS**

16 **SEC. 12.** Nothing in this Act shall impair, amend, or  
17 modify the antitrust laws or limit or prevent their applica-  
18 tion to persons who buy or otherwise acquire property under  
19 the provisions of this Act. Upon the request of the Attor-  
20 ney General the Administrator or any other Government  
21 agency shall furnish or cause to be furnished to the Attorney  
22 General such information as the Administrator or any such  
23 agency may possess which the Attorney General determines  
24 to be pertinent to the application of the antitrust laws to  
25 the disposition of surplus property under the provisions of



1 this Act. As used in this section, the term "antitrust laws"  
 2 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),  
 3 as amended; the Act of October 15, 1914 (ch. 323, 38 Stat.  
 4 730), as amended; the Federal Trade Commission Act;  
 5 and the Act of August 27, 1894 (ch. 349, secs. 73, 74,  
 6 28 Stat. 570), as amended.

#### 7 DISPOSITION OF PLANTS

8 SEC. 13. (a) No Government agency shall dispose of  
 9 any surplus Government-owned plant for the production of  
 10 synthetic rubber, or aluminum, any pipe line for the trans-  
 11 portation of oil, which cost the Government \$5,000,000 or  
 12 more, except in accordance with this section or pursuant to  
 13 an option therefor.

14 (b) The Administrator may authorize any disposal  
 15 agency to lease any such surplus plant for a term of not  
 16 more than five years.

17 (c) The Administrator shall prepare and submit to  
 18 Congress a report as to each class of such property—

19 (1) describing the number, cost, and location of  
 20 such surplus plants and setting forth other descriptive  
 21 information relative to the use and potential use thereof;

22 (2) outlining the economic problems that may be  
 23 created by the disposition thereof;

24 (3) setting forth a plan or program for the care and

1 handling, disposition, and use thereof consistent with the  
2 policies and objectives of this Act; and

3 ~~(4)~~ describing any steps already taken with respect  
4 to the care and handling, disposition, and use of the  
5 property, including any contracts relating thereto.

6 The Administrator shall request Government agencies to  
7 submit information and suggestions for use in the preparation  
8 of such reports and shall encourage States, political subdivi-  
9 sions thereof, and private persons to submit such information  
10 and suggestions, and he shall submit to the Congress, together  
11 with each such report, copies or summaries of such informa-  
12 tion and suggestions. After six months from the submission  
13 of a report hereunder, unless the Congress provides other-  
14 wise by law, the Administrator may authorize the appro-  
15 priate disposal agencies to dispose of such property in accord-  
16 ance with the plan or program proposed in the report to  
17 Congress.

18 ~~(d)~~ No Government agency shall dispose of any surplus  
19 Government-owned plant of any character, which cost the  
20 Government \$1,000,000 or more, without the approval of  
21 a majority of the members of the Surplus Property Advisory  
22 Board created under section 4 ~~(a)~~ of this Act, or of a  
23 majority of a quorum of such Board (which quorum shall



1 not be less than a majority of the Board) at a meeting duly  
2 called for the purpose.

3 (c) The Administrator may authorize any disposal  
4 agency to dispose of any materials or equipment related to  
5 any surplus plant covered by subsection (a) or (d) of this  
6 section, if such materials and equipment are not necessary for  
7 the operation of the plant in the manner for which it is  
8 designed.

9 (f) This section shall not apply to any Government-  
10 owned equipment, structure, or other property operated as  
11 an integral part of a privately owned plant and not capable  
12 of economic operation as a separate and independent unit.

#### 13 DISPOSITION OF AIRPORTS

14 SEC. 14. No airport shall be disposed of as surplus  
15 property until it has first been offered for sale or lease to the  
16 State and the municipality in which it is situated and to all  
17 contiguous municipalities.

#### 18 REGULATIONS

19 SEC. 15. The Administrator shall prescribe regulations  
20 to effectuate the provisions of this Act. Each Government  
21 agency shall carry out regulations of the Administrator  
22 expeditiously, and shall issue such further regulations not in-  
23 consistent with the regulations of the Administrator as it  
24 deems necessary and desirable to carry out the provisions of

1 this Act. The regulations prescribed under this Act shall be  
2 published in the Federal Register.

3 GENERAL PROVISIONS

4 SEC. 16. (a) Each Government agency shall submit to  
5 the Administrator (1) such information and reports with  
6 respect to surplus property in its control, in such form and  
7 at such times as the Administrator may direct; and (2) in-  
8 formation and reports with respect to other property in its  
9 control, to such extent, and in such form as the agency  
10 deems consistent with national security.

11 (b) Any Government agency may execute such docu-  
12 ments for the transfer of title or other interest in property  
13 under this Act or take such other action as it deems neces-  
14 sary or proper to transfer or dispose of property under this  
15 Act or otherwise to carry out the provisions of this Act,  
16 and, in the case of surplus property, shall do so to the  
17 extent required by the regulations of the Administrator.  
18 In the case of real property, the form of the deed or other  
19 instrument of transfer shall be approved by the Attorney  
20 General.

21 (c) Where any property is disposed of in accordance  
22 with this Act and any regulations prescribed under this Act,  
23 no officer or employee of the Government shall be liable  
24 with respect to such disposition except for his own fraud.



(d) Any Government agency responsible for the care and handling of any property may take such action for the care and handling of such property, and for completion of any semifabricated property, as it deems necessary or desirable to effectuate the objectives and policies of this Act.

(e) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Administrator may prescribe. The information in such records shall be available at all reasonable times for public inspection.

(f) Nothing in this Act shall be deemed to impair or modify any contract or any term or provision of any contract without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

## DISPOSITION OF PROCEEDS

17 SEC. 17. (a) All proceeds from any transfer or dis-  
18 position of property under this Act shall be deposited and  
19 covered into the Treasury to the credit of a special fund  
20 which shall be used exclusively for the reduction of the  
21 public debt, except as provided in subsections (b), (c),  
22 (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the

1 general fund of the Treasury but by law reimbursable from  
2 assessment, tax, or other revenue or receipts; then upon the  
3 request of the interested agency the net proceeds of the dis-  
4 position or transfer shall be credited to the reimbursable fund  
5 or appropriation or paid to the owning agency. As used in  
6 this subsection the term "net proceeds of the disposition or  
7 transfer" means the proceeds of the disposition or transfer  
8 minus all expenses incurred for care and handling, com-  
9 pletion of semifabricated property, and disposition or transfer.

10 (c) To the extent authorized by the Administrator,  
11 any Government agency disposing of property under this  
12 Act (1) may deposit, in a special account with the Treasurer  
13 of the United States, such amount of the proceeds of such  
14 dispositions as it deems necessary to permit appropriate  
15 refunds to purchasers when any disposition is rescinded or  
16 does not become final, or payments for breach of any war-  
17 ranty; and (2) may withdraw therefrom amounts so to be  
18 refunded or paid, without regard to the origin of the funds  
19 withdrawn.

20 (d) Where a contract or subcontract authorizes the  
21 proceeds of any sale of property in the custody of the con-  
22 tractor or subcontractor to be credited to the price or cost  
23 of the work covered by such contract or subcontract, the  
24 proceeds of any such sale shall be credited in accordance



1 with the contract or subcontract and shall not be subject to  
2 subsection (a) of this section.

3 (c) Where property is transferred or disposed of under  
4 this Act for any consideration other than legal tender of the  
5 United States, the disposal agency shall convert such con-  
6 sideration into legal tender of the United States as rapidly  
7 as it deems practicable, and pending such conversion, shall  
8 retain, preserve, and manage such consideration, in such  
9 manner as it deems appropriate. Where the disposal agency  
10 acquires or retains any mortgage, lien, or other interest as  
11 security in connection with any transfer or disposition of  
12 property under this Act, the disposal agency shall retain,  
13 preserve, and manage such security and may enforce and  
14 settle any right of the Government with respect thereto in  
15 such manner and upon such terms as it deems in the best  
16 interest of the Government. The Administrator may pre-  
17 scribe regulations to govern the exercise of the authority  
18 granted under this subsection.

19 USE OF APPROPRIATED FUNDS

20 SEC. 18. (a) Any Government agency is authorized to  
21 use for the disposition of property under this Act, and for its  
22 care and handling, and for the completion of semifabricated  
23 property, pending such disposition, any funds heretofore  
24 or hereafter appropriated, allocated, or available to it for  
25 the purpose of production or procurement of such property.

1       (b) There are authorized to be appropriated such sums  
2 as may be necessary or appropriate for administering the  
3 provisions of this Act.

4                               DELEGATION OF AUTHORITY

5       SEC. 19. (a) The Administrator may delegate any au-  
6 thority and discretion conferred upon him by this Act to  
7 any Deputy Administrator or Assistant Administrator, and  
8 may delegate such authority and discretion, upon such terms  
9 and conditions as he may prescribe, to the head of any Gov-  
10 ernment agency to the extent necessary to the handling and  
11 solution of problems peculiar to that agency.

12       (b) The head of any Government agency may delegate,  
13 and authorize successive redelegations of, any authority and  
14 discretion conferred upon him or his agency by or pursuant  
15 to this Act to any officer, agent, or employee of such agency  
16 or, with the approval of the Administrator, to any other  
17 Government agency.

18       (c) Any two or more Government agencies may exer-  
19 cise jointly any authority and discretion conferred upon each  
20 of them individually by or pursuant to this Act.

21                               APPLICABILITY

22       SEC. 20. All policies and procedures relating to surplus  
23 property prescribed by the Surplus War Property Adminis-  
24 tration, created by Executive Order Numbered 9425, dated  
25 February 19, 1944, or any other Government agency, in



1 effect upon the effective date of this Act, and not inconsistent  
2 with this Act, shall remain in full force and effect unless  
3 and until superseded by regulations of the Administrator or  
4 of the agency in accordance with this Act.

5       SEC. 21. (a) Nothing in this Act shall limit or affect  
6 the authority of commanders in active theaters of military  
7 operations to dispose of property in their control.

8       (b) The provisions of this Act shall be applicable to  
9 dispositions of property within the United States and else-  
10 where, but the Administrator may exempt from some or  
11 all of the provisions hereof, dispositions of property located  
12 outside of the continental United States or in Alaska, when-  
13 ever he deems that such provisions would obstruct the efficient  
14 and economic disposition of such property in accordance with  
15 the objectives of this Act.

16       SEC. 22. (a) The authority conferred by this Act is  
17 in addition to any authority conferred by any other law and  
18 shall not be subject to the provisions of any law inconsistent  
19 herewith. —This Act shall not impair or affect any authority  
20 for the disposition of property under any other law, except  
21 that the Administrator may prescribe regulations to govern  
22 any disposition of surplus property under any such authority  
23 to the same extent as if the disposition were made under this  
24 Act, whenever he deems such action necessary to effectuate  
25 the objectives and policies of this Act.

1       (b) Nothing in this Act shall impair or affect the pro-  
 2 visions of the Emergency Price Control Act of 1942, as  
 3 amended; or the Act of October 2, 1942 (ch. 578, 56 Stat.  
 4 765), as amended; or of section 301 of the Second War  
 5 Powers Act, 1942; or of the Act of March 11, 1941 (55  
 6 Stat. 31), as amended; or Acts supplemental thereto, or of  
 7 any law regulating the exportation of property from the  
 8 United States; or of any criminal law of the United States;  
 9 or so much of the Military Appropriation Act, 1945, as is  
 10 contained in the last two provisos of the second paragraph  
 11 under the heading "Corps of Engineers".

12                       EFFECTIVE DATE; EXPIRATION

13       SEC. 23. This Act shall become effective from the date  
 14 of its enactment. Unless extended by law, this Act shall  
 15 expire at the end of three years following the date of the  
 16 cessation of hostilities in the present war, as proclaimed by the  
 17 President or at an earlier date if such date be designated by  
 18 concurrent resolution of the two Houses of Congress.

19                       PENALTIES

20       SEC. 24. (a) Whoever, with intent to defraud the Gov-  
 21 ernment of the United States, shall knowingly and willfully  
 22 violate any of the provisions of this Act shall be fined not  
 23 more than \$5,000 or imprisoned not more than five years,  
 24 or both.



1       ~~(b)~~ If two or more persons, with intent to defraud the  
 2 Government of the United States, enter into any agreement,  
 3 confederation, or conspiracy to violate any provision of this  
 4 Act, and do any overt act toward carrying out such unlaw-  
 5 ful agreement, confederation, or conspiracy, such person or  
 6 persons shall be fined not more than \$5,000 or imprisoned  
 7 not more than five years, or both.

#### 8                               SEPARABILITY OF PROVISIONS

9       SEC. 25. If any provision of this Act, or the application  
 10 of such provision to any person or circumstance, is held  
 11 invalid, the remainder of this Act or the application of such  
 12 provision to persons or circumstances other than those as to  
 13 which it is held invalid, shall not be affected thereby.

#### 14                               SHORT TITLE

15       SEC. 26. This Act may be cited as the "Surplus  
 16 Property Act of 1944."

#### 17                               OBJECTIVES

18       SECTION 1. *The Congress hereby declares that the objec-*  
 19 *tives of this Act are to facilitate and regulate the orderly*  
 20 *disposal of surplus property so as—*

21       (a) *In the disposition of all classes of surplus property—*

22               (1) *to assure the most effective use of such property*  
 23 *for war purposes;*

24               (2) *to give maximum aid in the reestablishment of*  
 25 *a peacetime economy of free independent private enter-*

1        *prise, the development of the maximum of independent*  
2        *operators in trade, industry, and agriculture, and to*  
3        *stimulate full employment;*

4            *(3) to strengthen and preserve the competitive*  
5        *position of small business concerns in an economy of*  
6        *free enterprise;*

7            *(4) to foster and to render more secure family-type*  
8        *farming as the traditional and desirable pattern of Ameri-*  
9        *can agriculture;*

10           *(5) to strengthen and preserve the existing cooper-*  
11        *ative organizations, and to encourage the extension of*  
12        *the cooperative movement;*

13           *(6) to aid honorably discharged servicemen to*  
14        *establish and maintain their own small business or*  
15        *agricultural enterprises;*

16           *(7) to assure the sale of such surpluses in such*  
17        *quantities and on such terms as will discourage disposal*  
18        *to speculators or for speculative purposes;*

19           *(8) to provide for the utilization of surplus prop-*  
20        *erty to the fullest extent practicable in furtherance,*  
21        *under appropriate controls, of programs meeting certain*  
22        *important public needs referred to in section 12 hereof;*

23           *(9) to establish and develop foreign markets and*  
24        *promote mutually advantageous economic relations be-*  
25        *tween the United States and other countries by the*



1       *orderly disposition of such surpluses in other countries;*  
2       *to have printed and distributed if the board deems it*  
3       *practicable a catalogue of the property to be disposed of*  
4       *and a brief description of the same and if practicable*  
5       *the price at which the article is to be sold;*

6       *(b) In the disposition of consumers goods—*

7           *(1) to achieve the prompt and full utilization*  
8       *thereof at fair prices to the consumer through disposal*  
9       *at home and abroad with due regard for the protection*  
10       *of free markets and competitive prices from dislocation*  
11       *resulting from uncontrolled dumping;*

12           *(2) to utilize normal channels of trade and com-*  
13       *merce to the extent consistent with efficient and eco-*  
14       *nomie distribution and the promotion of the general*  
15       *objectives of this Act (without discriminating against*  
16       *the establishment of new enterprises);*

17       *(c) In the disposition of plant, equipment and materials*  
18       *for use in further production—*

19           *(1) to promote maximum production and employ-*  
20       *ment of the manpower and the natural and agricultural*  
21       *resources of all sections of the country;*

22           *(2) to facilitate the transition of enterprises from*  
23       *wartime to peacetime production and of individuals from*  
24       *wartime to peacetime employment with due regard to*  
25       *the necessity of discouraging monopolistic practices;*

1           (3) to foster the development of new independent  
2       enterprise;

3           (d) For all classes of surplus property, to obtain the  
4       highest return for the Government consistent with the fore-  
5       going objectives.

6                               SURPLUS PROPERTY BOARD

7       SEC. 2. (a) There is hereby established in the Office  
8       of War Mobilization, and in the office of its successor, a  
9       Surplus Property Board, which shall be composed of eight  
10      members, each of whom shall be appointed by the President,  
11      by and with the advice and consent of the Senate, shall receive  
12      compensation at the rate of \$10,000 per annum, and shall  
13      serve for a term of two years. In the selection of members of  
14      the Board the President shall give due consideration to the  
15      various geographic areas and economic interests of the  
16      Nation. The Board shall elect one of its members as chair-  
17      man. In their deliberations the Board shall take into con-  
18      sideration the interests of all economic groups such as con-  
19      sumers, industry, agriculture, and labor. In case of a tie  
20      vote the Director of War Mobilization or his successor  
21      shall have a deciding vote. During his term of membership  
22      on the Board, no member shall engage in any other business,  
23      vocation, or employment. The Board shall determine all  
24      matters of policy relating to the administration of this Act.

25           (b) In order that the elected representatives of the people



1 shall be kept informed of the activities and the policies of  
2 the Board, the President of the Senate shall appoint two  
3 Members of the Senate and the Speaker of the House of  
4 Representatives shall appoint two Members of the House  
5 of Representatives who shall be entitled to attend any meet-  
6 ings of the Board and who shall from time to time report  
7 to the Congress or to their respective Houses on the pro-  
8 ceedings of the Board. It shall be the duty of the Chairman  
9 of the Board to advise such Members of all general or special  
10 meetings of the Board.

11 (c) The Board shall, without regard to the civil-service  
12 laws, appoint an Administrative Director, who shall perform  
13 such functions as the Board may direct and shall receive com-  
14 pensation at the rate of \$10,000 per annum. The Board  
15 shall, within the limits of funds which may be made available,  
16 employ and fix the compensation of such deputy administrative  
17 directors and other officers and employees, and may make  
18 such expenditures for supplies, facilities, and services, as may  
19 be necessary to carry out its functions. All such deputy  
20 administrative directors and other officers and employees  
21 shall be appointed in accordance with the civil-service laws  
22 and their compensation fixed in accordance with the Classi-  
23 fication Act of 1923, as amended. The Board shall, where  
24 practicable, perform the duties imposed upon it through the  
25 personnel and facilities of other Government agencies.

1            *SURPLUS PROPERTY ADVISORY COUNCIL*

2            *(d) There is hereby created a Surplus Property Ad-*  
3 *visory Council with which the Board shall advise and consult.*  
4 *The Council shall be composed of the Chairman of the Board,*  
5 *who shall act as its chairman, and of the Secretary of State,*  
6 *the Secretary of the Treasury, the Secretary of War, the*  
7 *Secretary of the Navy, the Attorney General, the Secretary*  
8 *of Commerce, the Secretary of the Interior, the Secretary of*  
9 *Labor, the Chairman of the board of directors of Smaller*  
10 *War Plants Corporation, the Chairman of the United States*  
11 *Maritime Commission, the Chairman of the War Production*  
12 *Board, the Director of the Bureau of the Budget, the War*  
13 *Food Administrator, the Administrator of Veterans' Affairs,*  
14 *the National Housing Administrator, the Federal Works*  
15 *Administrator, the Chairman of the Civil Aeronautics Board,*  
16 *the Federal Security Administrator, the Chairman of the*  
17 *Federal Trade Commission, and the Administrator of the*  
18 *Foreign Economic Administration, or any alternate or*  
19 *representative designated by any of them.*

20            *BOARD'S DUTIES AND AUTHORITY*

21            *SEC. 3. The activities of the Board shall be coordinated*  
22 *with the programs of the armed forces of the United States*  
23 *in the interests of the war effort. Until a final peace is*  
24 *concluded the needs of the armed forces are hereby declared*  
25 *and shall remain paramount. Subject to the general super-*



1 vision of the Director of War Mobilization or his successor,  
2 and the provisions of this Act, and notwithstanding the  
3 provisions of any existing law, it shall be the function and  
4 duty of the Board—

5 (a) To supervise and direct the handling and disposi-  
6 tion of surplus property by the Government in accord-  
7 ance with the objectives and policies of this Act;

8 (b) To supervise and direct the transfer of any surplus  
9 property in the possession of any Government agency to any  
10 other Government agency;

11 (c) To assign surplus property for disposal by the fewest  
12 number of Government agencies practicable and, so far as it  
13 deems feasible, to centralize in one disposal agency respon-  
14 sibility for the disposal of all property of the same type or  
15 class: Provided, however, That the United States Maritime  
16 Commission shall be the sole disposal agency for merchant  
17 vessels or vessels capable of conversion to merchant use, and  
18 that such vessels shall be disposed of only in accordance with  
19 the provisions of the Merchant Marine Act, 1936, as amended,  
20 and other laws authorizing the sale of such vessels, until  
21 otherwise provided by law;

22 (d) To prescribe regulations and issue directives neces-  
23 sary to provide, so far as practicable, for uniform and wide  
24 public notice concerning surplus property available for sale,  
25 and for uniform and adequate time intervals between notice

1 *and sale so that all interested purchasers shall have a fair*  
2 *opportunity to buy;*

3 *(e) To formulate and issue as rapidly as possible detailed*  
4 *plans—*

5 *(1) for the care and handling and disposition of*  
6 *surplus property in accordance with this Act;*

7 *(2) for converting to civilian production by private*  
8 *industry as rapidly as war needs and conditions permit,*  
9 *any Government-owned plants which are not needed for*  
10 *the common defense and are capable of use for civilian*  
11 *production;*

12 *(3) for facilitating the most economical use and*  
13 *disposition of Government-owned plants which are not*  
14 *needed for the common defense but are not capable of*  
15 *use for civilian production;*

16 *(4) for disposition of surplus Government-owned*  
17 *transportation facilities and equipment in such manner*  
18 *as to promote an adequate and economical national trans-*  
19 *portation system;*

20 *(5) for removal of any existing discriminations*  
21 *affecting the disposal and use of Government-owned*  
22 *plants and property, in accordance with this Act;*

23 *(f) To effectuate the objectives of this Act to aid honor-*  
24 *ably discharged veterans to establish and maintain their own*



1 small businesses, professions, or agricultural enterprises by  
2 affording such veterans suitable preferences to the extent  
3 feasible and consistent with the policies of this Act in the ac-  
4 quisition of the types of surplus property useful in such enter-  
5 prises. The Board in cooperation with the Administrator of  
6 Veterans' Affairs shall prepare and submit to Congress with-  
7 in six months after enactment of this Act, a report setting forth  
8 the feasible means planned to effectuate the objectives of  
9 this subsection;

10 (g) To devise ways and means and prescribe appro-  
11 priate regulations and directives in cooperation with the War  
12 Food Administrator whereby surplus property will be sold  
13 in such quantities in rural localities and in such manner as  
14 will assure farmers and farmers' cooperative associations  
15 equal opportunity with others to purchase surplus property:  
16 Provided, however, That in cases where a shortage of trucks,  
17 machinery, and equipment impairs farm production, a pro-  
18 gram shall be developed by the Board in cooperation with  
19 the War Food Administrator whereby a reasonable portion  
20 of the surplus supply will be made available for sale in rural  
21 areas to farmers and farmers' cooperative associations;

22 (h) To devise ways and means and prescribe appro-  
23 priate regulations and directives to prevent any discrimi-  
24 nation against any person in the disposal and distribution

1 and use of any Government property covered by this Act  
2 on account of race, creed, or color.

3 (i) The Board shall designate the Committees of the  
4 Agricultural Adjustment Agency in each State as the dis-  
5 posal agencies for all farm-size trucks and jeeps, declared  
6 to be surplus under this Act, and shall apportion such trucks  
7 and jeeps for disposal in the several States in accordance  
8 with a formula consisting of one-third for area; one-third  
9 for population; and one-third for mileage of Federal high-  
10 ways. The Board shall fix the prices and prescribe the  
11 terms of sale and the people desiring to purchase any of  
12 said vehicles may buy them directly under said terms of  
13 sale prescribed by the Board.

14 SEC. 4. (a) Notwithstanding the provisions of any  
15 other law but subject to the provisions of this Act, the Board  
16 and any disposal agency designated by it under subsection (c)  
17 of section 3 of this Act are authorized to dispose of surplus  
18 property.

19 (b) Notwithstanding the provisions of any other law  
20 but subject to the provisions of this Act, the Board may dis-  
21 pose of property under this Act by sale, exchange, lease,  
22 transfer, or other disposition for cash, credit, other property  
23 or otherwise, with or without warranty, and upon such other  
24 terms and conditions as it deems proper: Provided, however,



1 *That in the case of raw materials, consumer goods, and com-*  
2 *mon supplies, no extension of credit under this Act shall be*  
3 *for a longer period than three years.*

4 *(c) No property which was processed, produced, or do-*  
5 *nated by the American Red Cross for any Government*  
6 *agency shall be disposed of except after notice to and con-*  
7 *sultation with the American Red Cross.*

8 *SEC. 5. (a) The Board may delegate any administrative*  
9 *authority conferred upon it by this Act to the Administrative*  
10 *Director and to any deputy administrative director, and may*  
11 *delegate such authority, upon such terms and conditions as it*  
12 *may prescribe, to the head of any Government agency to the*  
13 *extent necessary to the handling and solution of problems*  
14 *peculiar to that agency.*

15 *(b) The head of any Government agency may delegate,*  
16 *and authorize successive redelegations of, any authority con-*  
17 *ferred upon him or his agency by or pursuant to this Act to*  
18 *any officer, agent, or employee of such agency or, with the*  
19 *approval of the Board, to any other Government agency.*

20 *(c) Any two or more Government agencies may exer-*  
21 *cise jointly any authority conferred upon each of them in-*  
22 *dividually by or pursuant to this Act.*

23 *(d) The Board shall prescribe regulations to effectuate*  
24 *the provisions of this Act. Each Government agency shall*  
25 *carry out regulations of the Board expeditiously and shall,*

1 *subject to the approval of the Board, issue such further regu-*  
2 *lations, not inconsistent with the regulations of the Board, as*  
3 *it deems necessary or desirable to carry out the provisions of*  
4 *this Act. The regulations prescribed under this Act shall*  
5 *be published in the Federal Register.*

6 *SEC. 6. Surplus property sold for export or disposed of*  
7 *abroad pursuant to the provisions of this Act shall not be*  
8 *entitled to entry at any of the ports of the United States,*  
9 *and the importation thereof is hereby prohibited, and the*  
10 *Secretary of the Treasury is authorized and directed to pre-*  
11 *scribe such regulations as may be necessary for the enforce-*  
12 *ment of this section.*

#### 13 *REPORTS AND PLANNING*

14 *SEC. 7. (a) Within three months after the enactment*  
15 *of this Act, and thereafter in January, April, July, and Octo-*  
16 *ber of each year, the Board shall submit to the Senate and*  
17 *House of Representatives a quarterly progress report on the*  
18 *exercise of its authority and discretion under this Act. Such*  
19 *reports shall contain—*

20 *(i) A statement of the status of surplus property*  
21 *disposition.*

22 *(ii) A statement of the kind, amount, and value of*  
23 *all considerations received by any disposal agency in*  
24 *exchange for property disposed of under this Act.*



1           (iii) Such recommendations for legislation as the  
2       Board may deem necessary or desirable, especially with  
3       regard to the needs of industrially underdeveloped areas.

4       (b) The Board, in cooperation with the various disposal  
5       agencies, shall prepare and submit to the Congress within  
6       six months after enactment of this Act, a report as to each  
7       of the following classes of Government-owned property:  
8       (1) aluminum plants and facilities; (2) magnesium plants  
9       and facilities; (3) synthetic rubber plants and facilities;  
10      (4) chemical plants and facilities; (5) aviation gasoline  
11      plants and facilities; (6) iron and steel plants and facilities;  
12      (7) pipe lines used for transporting oil; (8) patents,  
13      processes, techniques, and inventions, except such as are neces-  
14      sary to the operation of the plants and facilities herein listed;  
15      (9) aircraft plants and facilities and aircraft and aircraft  
16      parts; (10) shipyards; (11) transportation facilities; and  
17      (12) radio and electrical equipment:

18           (A) Describing the amount, cost, and location of  
19       the property and setting forth other descriptive informa-  
20       tion relative to the use of the property that will no longer  
21       be needed by the United States;

22           (B) Outlining the economic problems that may be  
23       created by disposition of the property;

24           (C) Setting forth a plan or program for the care

1       and handling, disposition, and use of the property con-  
2       sistent with policies and objectives set forth in this Act;

3           (D) Describing any steps already taken for care  
4       and handling, disposition, and use of the property (in-  
5       cluding any contracts relating thereto), and designating  
6       any property that is to be retained by the United States  
7       for war or common defense purposes.

8       In the event that it is not possible within such period  
9       to prepare and submit a complete report to the Congress as to  
10      any class of property, the Board shall submit an interim  
11      report six months after the enactment of this Act, and shall  
12      submit a complete report as soon thereafter as possible.

13      If the Board determines that it is desirable to alter or  
14      change any such plan or program or to prepare a report on  
15      any other class of property, it shall prepare in accordance  
16      with the provisions of this subsection and submit to the  
17      Congress an additional report, setting forth the altered or  
18      changed plan or program or a plan or program relating to  
19      the new class of property.

20      (c) Whenever the Board may deem it to be in the interest  
21      of the objectives of this Act it may authorize the disposition  
22      of any property listed in classes 9 to 12, inclusive, of sub-  
23      section (b) of this section. With respect to the property  
24      listed in classes 1 to 8, inclusive, no disposition shall be made



1 or authorized until thirty days after such report (or addi-  
2 tional report) has been made while Congress is in session.

3 (d) The reports required in subsections (a) and (b)  
4 of this section shall, when received, be referred to the appro-  
5 priate committees of the Congress and it shall be the duty  
6 of each such committee to consider such report at public or  
7 private hearing as said committee may determine and there-  
8 after to make appropriate report thereon to the respective  
9 Houses.

#### 10 ADVISORY COMMITTEES

11 SEC. 8. Each disposal agency may, under regulations to  
12 be prescribed by the Board, organize advisory committees with  
13 which it shall consult regarding policies and procedures to  
14 govern disposal of the various classes of surplus property  
15 under this Act: Provided, That such committees shall perform  
16 only advisory and consultative functions and shall not be  
17 authorized to promulgate or to administer policies and pro-  
18 cedures, which shall be the responsibility of the appropriate  
19 Government agencies: Provided further, That full informa-  
20 tion on all such committees shall be submitted to the Attorney  
21 General and no such committee shall continue any operations  
22 or activities which the Attorney General finds, and certifies to  
23 the appropriate Government agencies, tend to promote the  
24 restraint of trade or the extension of monopoly. Such com-  
25 mittees shall be fairly representative of—

1           (a) the larger business units of the interested trade  
2           or industry, including its wholesale and retail distributors,  
3           if any;

4           (b) the small business units therein, including dis-  
5           tributors;

6           (c) genuine member-controlled cooperative or-  
7           ganizations;

8           (d) the labor groups interested therein; and

9           (e) interested farm, consumer, minority, and other  
10          groups, if any.

#### 11           DECLARATION OF SURPLUS PROPERTY

12          SEC. 9. (a) Every Government agency shall have the  
13          duty and responsibility continuously to survey the property  
14          in its possession or control and to determine which of such  
15          property is surplus to its needs and responsibilities, and to  
16          report promptly to the Board and to the appropriate disposal  
17          agency any surplus property in its control which the owning  
18          agency does not dispose of under section 13.

19          It shall be the duty of the War and Navy Departments  
20          to survey the needs for the defense of the United States in  
21          relation to Government-owned plants, facilities, equipment  
22          and supplies, and they shall not declare surplus any of these  
23          items for which they find that there is a need within the  
24          useful life of the item in question.

25          (b) Whenever in the course of the performance of its



1 duties under this Act, the Board has reason to believe that any  
2 owning agency has property in its control which is surplus to  
3 its needs and responsibilities and which it has not reported as  
4 such, the Board shall promptly report that fact to the Senate  
5 and House of Representatives. Each Government agency  
6 shall submit to the Board (1) such information and reports  
7 with respect to surplus property in its control, in such form,  
8 and at such reasonable times, as the Board may direct; (2)  
9 information and reports with respect to other property in its  
10 control, to such extent, and in such form, as the agency deems  
11 consistent with national security.

12 (c) When any surplus property is reported to any dis-  
13 posal agency under subsection (a) of this section, the disposal  
14 agency shall have responsibility and authority for the dis-  
15 position of such property, and for the care and handling of  
16 such property pending its disposition, in accordance with the  
17 policies, standards, methods, and procedures prescribed by the  
18 Board. Where the disposal agency is not prepared at the  
19 time of its designation under this Act to undertake the care and  
20 handling of such surplus property the Board may postpone the  
21 responsibility of the agency to assume its duty for care and  
22 handling for such period as it deems necessary to permit its  
23 preparation therefor.

24 (d) Any Government agency may execute such docu-  
25 ments for the transfer of title or other interest in property or

1 *take such other action as it deems necessary or proper to trans-*  
2 *fer or dispose of property or otherwise to carry out the pro-*  
3 *visions of this Act, and, in the case of surplus property, shall*  
4 *do so to the extent required by the regulations of the Board.*

5 *AGENCY INVENTORIES*

6 *SEC. 10. Every disposal agency shall maintain in each*  
7 *of its disposal offices full records of the inventories of surplus*  
8 *property of such office and of each of the disposal transactions*  
9 *negotiated by such office and shall make the information in*  
10 *such records available for inspection by the public.*

11 *UTILIZATION OF SURPLUS PROPERTY BY FEDERAL*

12 *AGENCIES*

13 *SEC. 11. (a) It shall be the responsibility of all Gov-*  
14 *ernment agencies, in order to avoid making purchases of*  
15 *needed properties through commercial channels, continuously*  
16 *to consult the records of surplus property established by the*  
17 *Board and to determine whether their requirements can be*  
18 *satisfied from among such surplus property. It shall also be*  
19 *the responsibility of the head of each agency to submit to*  
20 *the Board such estimates of property needed and such re-*  
21 *ports in relation thereto as the Board may deem necessary*  
22 *to promote the fullest utilization of surplus property. It shall*  
23 *be the responsibility of the Board to determine whether Gov-*  
24 *ernment agencies are acquiring surpluses to the fullest pos-*  
25 *sible extent, and to notify agencies whenever, in its judgment,*



1 *they are not making proper use of the surplus property of*  
2 *other Government agencies.*

3       *(b) The Board shall, to the maximum extent prac-*  
4 *ticable, allocate and transfer to Government agencies surplus*  
5 *property capable of being utilized by them. In so doing,*  
6 *it shall give consideration to the acquisition by the War*  
7 *Department, Navy Department, and Maritime Commission*  
8 *of surplus property necessary for the prosecution of the war*  
9 *or for purposes of the common defense and national security.*  
10 *All such transfers shall be made upon such terms and with*  
11 *such charge to the appropriation of the transferee for the*  
12 *value thereof as the Bureau of the Budget shall determine to*  
13 *be in accordance with existing law.*

14       *(c) The Board shall resolve any conflict between Gov-*  
15 *ernment agencies over the acquisition of surplus property*  
16 *in such manner as will, in its judgment, best effectuate the*  
17 *objectives of this Act.*

18               *DISPOSAL TO LOCAL GOVERNMENTS*

19       *SEC. 12. The Board may prescribe regulations for the*  
20 *disposition of surplus property to States, and political sub-*  
21 *divisions thereof, including municipalities, and to tax-sup-*  
22 *ported and nonprofit institutions, as follows:*

23       *(a) Surplus property that is appropriate for school,*  
24 *classroom, or other educational use may be transferred to*  
25 *the Federal Security Agency for donation to the States and*

1 *their political subdivisions and tax-supported educational*  
2 *institutions, and, within rules and regulations to be pre-*  
3 *scribed by the Federal Security Administrator, with the*  
4 *approval of the Board, to other nonprofit educational insti-*  
5 *tutions which have been held exempt from taxation under*  
6 *section 101 (6) of the Internal Revenue Code.*

7       *(b) Surplus medical supplies, equipment and property*  
8 *suitable for use in the protection of public health, including*  
9 *research, may be transferred to the Federal Security Ad-*  
10 *ministration for donation to the States and their political*  
11 *subdivisions, including municipalities, and to tax-supported*  
12 *medical institutions, and, within rules and regulations to*  
13 *be prescribed by the Federal Security Administrator,*  
14 *with the approval of the Board, to hospitals or other similar*  
15 *institutions not operated for profit which have been held*  
16 *exempt from taxation under section 101 (6) of the Internal*  
17 *Revenue Code, and to the American Red Cross.*

18       *(c) Any surplus property may be sold or leased to*  
19 *States, political subdivisions thereof, including municipalities*  
20 *and conservation districts, tax-supported institutions, peoples*  
21 *utility districts and cooperative, nonprofit, or limited dividend*  
22 *associations, the projects of which comply with the require-*  
23 *ments of the Rural Electrification Act of 1936, and nonprofit*  
24 *charitable, medical, and educational institutions which have*  
25 *been held exempt from taxation under section 101 (6) of*



1 the Internal Revenue Code, at discounts not to exceed 50  
2 per centum of the sale or lease market value thereof, as the  
3 case may be, or 50 per centum of the highest price offered  
4 by any private purchaser or lessee, whichever is lower:  
5 Provided, That other surplus property not immediately  
6 disposable for which the estimated cost of care and  
7 handling and disposition would exceed the estimated pro-  
8 ceeds of commercial disposition, may be donated to States,  
9 political subdivisions thereof, including municipalities and  
10 conservation districts, and, within rules and regulations to be  
11 prescribed by the Board, to tax-supported institutions, peoples  
12 utility districts and cooperative, nonprofit, or limited dividend  
13 associations, the projects of which comply with the require-  
14 ments of the Rural Electrification Act of 1936, and nonprofit  
15 charitable, medical, and educational institutions which have  
16 been held exempt from taxation under section 101 (6) of the  
17 Internal Revenue Code.

18 (d) The Board may provide, by regulation for reserv-  
19 ing for sale or lease to States, political subdivisions thereof,  
20 including municipalities, and to tax-supported institutions,  
21 such amounts of surplus property as the War Production  
22 Board finds necessary to meet their essential needs.

23 (e) Where property is disposed of pursuant to the  
24 provisions of this section, the Board shall see to it that  
25 appropriate provisions for control are applied for a period

1 *not to exceed two years next succeeding the date of dis-*  
2 *position with respect to the maintenance of the property,*  
3 *its continued use for the general purpose for which it was*  
4 *acquired, repossession by the Federal Government in the*  
5 *event that the conditions of its disposal are not complied*  
6 *with, and related provisions.*

7       *(f) Whenever any State or subdivision thereof, or any*  
8 *State or Government agency certifies to the Board that any*  
9 *power transmission line determined to be surplus property*  
10 *under the provisions of this Act is needful for or adaptable*  
11 *to the requirements of any Federal, State, Municipal or*  
12 *Cooperative power project, such line and the right-of-way*  
13 *acquired for its construction shall not be sold, leased for*  
14 *more than one year, or otherwise disposed of, except as*  
15 *provided in sections 11 and 12, unless specifically authorized*  
16 *by Act of Congress.*

17       *(g) In disposing of any surplus lands or other real*  
18 *property on or across which highways or streets had been*  
19 *established and constructed and were being maintained by*  
20 *the States or their political subdivisions at the time such*  
21 *lands or other real property was acquired by the Govern-*  
22 *ment, and where such highways or streets were vacated,*  
23 *destroyed, or shut off from general public use in order to*  
24 *meet the requirements and serve the purposes of the Govern-*  
25 *ment, the States or their political subdivisions first shall be*



1 given a reasonable time, to be fixed by the Board, in which  
2 to repurchase the original rights-of-way on which such  
3 highways or streets were established and in which to pur-  
4 chase such new or additional rights-of-way as may be re-  
5 quired for reestablishing, in whole or in part, such highways  
6 or streets of greater width or on new and more adequate  
7 locations, at a price not exceeding that paid therefor by the  
8 Government.

9                   DISPOSITION BY OWNING AGENCY

10       SEC. 13. (a) Any owning agency may dispose of any  
11 property for the purpose of aiding in the prosecution of the  
12 war and for the common defense or authorize any contractor  
13 with such agency or subcontractor thereunder to retain or  
14 dispose of any contractor inventories for the purpose of aiding  
15 in the prosecution of the war and for the common defense,  
16 subject only to the regulations of the Board with respect to  
17 price policies. The Board may empower any owning agency,  
18 subject to the regulations of the Board, to authorize any con-  
19 tractor with such agency or subcontractor thereunder to retain  
20 or dispose of any contractor inventories for any other purpose  
21 not contrary to the objectives of this Act. Where any own-  
22 ing agency takes possession of any contractor inventory from  
23 any contractor with the agency or subcontractor thereunder,  
24 such property shall be disposed of only in accordance with  
25 the provisions of this Act.

1        (b) Subject to subsection (c) of this section and to  
2 the provisions of section 21, any owning agency may  
3 dispose of—

4            (1) any property which is damaged or worn  
5 beyond economical repair;

6            (2) any waste, salvage, scrap, or other similar items  
7 not included within the definition of strategic minerals  
8 and metals contained in section 21;

9            (3) any physical products of industrial, research,  
10 agricultural, or livestock operations, or of any public  
11 works construction or maintenance project, carried on  
12 by such agency; and

13            (4) any other similar class or type of surplus prop-  
14 erty designated by the Board.

15        (c) The Board shall have the responsibility for review-  
16 ing the disposal actions and the decisions with respect to the  
17 classification of property of the owning agencies under this  
18 section to assure the fulfillment of the objectives and policies  
19 of this Act and whenever the Board finds it necessary it  
20 shall restrict by regulation or rescind the authority of any  
21 owning agency to dispose of any class of surplus property  
22 under subsection (b) of this section.

23                                    *SMALL BUSINESS*

24        *SEC. 14. (a) It shall be the duty of the Board, and it*  
25 *is hereby authorized and directed, to devise ways and means*



1 and prescribe appropriate regulations and directives, to pre-  
2 vent any discrimination against small business in the disposal  
3 and distribution and use of any Government property covered  
4 by this Act. To that end the Board shall cause the disposal  
5 agencies to adopt and pursue the following measures:

6 (1) Arrange for the widest practicable notice as  
7 far in advance of the sale as practicable, by advertise-  
8 ment or otherwise, to be issued and disseminated by  
9 the agencies so that large and small enterprises will be  
10 reasonably informed of the property offered for sale and  
11 the terms and conditions thereof.

12 (2) Reduce lots or blocks of any items offered for  
13 sale to the smallest practicable units conforming with  
14 marketing policy in the agency concerned so that they  
15 will be within the reach of small business enterprises.

16 (3) In appropriate cases in the discretion of the  
17 agency or the Board, arrange for sales on credit or  
18 time bases, or such other terms or conditions as will  
19 preserve the competitive position of small business enter-  
20 prises in the purchase or acquisition of surplus property  
21 and accord them a fair opportunity for the acquisition  
22 thereof.

23 (b) The Smaller War Plants Corporation is hereby  
24 specifically charged with the responsibility of cooperating  
25 with the Board and with the owning and disposal agencies,

1 of making surveys from time to time, and bringing to the atten-  
2 tion of the agencies, or the Board, the needs and require-  
3 ments of small business and any cases or situations which  
4 have resulted in or would effect discrimination against small  
5 business in the purchase or acquisition of Government prop-  
6 erty by them and in the disposal thereof by the agencies.

7 (c) The Smaller War Plants Corporation is hereby  
8 authorized and directed to consult with small business to  
9 obtain full information concerning the needs of small business  
10 for surplus property and to disseminate information and other  
11 guidance concerning the disposition and acquisition of sur-  
12 plus property among small business enterprises in industry  
13 and trade.

14 (d) The Smaller War Plants Corporation shall recom-  
15 mend to the Congress any measures which it deems advis-  
16 able for the removal of discriminations against small business  
17 in the acquisition and use of Government-owned plants and  
18 properties, in accordance with the objectives of this Act.

19 (e) The Smaller War Plants Corporation shall have  
20 the power to purchase any surplus property for resale or  
21 other disposition to small business (and is empowered to  
22 receive other property in exchange as partial or full payment  
23 therefor), when in its judgment, such disposition is required  
24 to preserve and strengthen the competitive position of small



1 business, or will assist the Corporation in the discharge of  
2 the duties and responsibilities imposed upon it.

3 (f) The Smaller War Plants Corporation is hereby  
4 authorized, for the purpose of carrying out the objectives of  
5 this section, to make or guarantee loans to small business  
6 enterprises in connection with the acquisition, conversion,  
7 and operation of plants and facilities, and, in cooperation  
8 with the disposal agencies, to arrange for sales of surplus  
9 property to small business concerns on credit or time bases.

10 DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

11 SEC. 15. (a) Notwithstanding any other provision of this  
12 Act or of any other Act or of any Executive order, the War  
13 Food Administrator or his successor, shall be solely respon-  
14 sible for the formulation of policies and the carrying out of  
15 programs with respect to the disposal of surplus agricultural  
16 commodities. The War Food Administrator or his successor,  
17 subject to the provisions of existing law, shall formulate work-  
18 able plans for the disposition of surplus agricultural com-  
19 modities or food processed from agricultural commodities in  
20 such a manner as to prevent these excess supplies from  
21 being dumped on the market in a disorderly manner and  
22 disrupting the market prices for agricultural commodities.

23 (b) The Board shall not exercise any of its powers under  
24 this Act with relation to disposal of surplus cotton or woolen

1 *goods except with the approval in writing of the War Food*  
2 *Administrator or his successor.*

3 *No department or agency of the Federal Government*  
4 *shall sell or otherwise dispose of surplus cotton or woolen*  
5 *goods except in accordance with the orders and regulations*  
6 *of the Board, approved in writing as hereinbefore provided*  
7 *by the War Food Administrator or his successor.*

8 *Surplus farm commodities shall not be sold in the United*  
9 *States under this Act in quantities in excess of, or at prices*  
10 *less than, those applicable with respect to sales of such com-*  
11 *modities by the Commodity Credit Corporation, or at less*  
12 *than current prevailing market prices, whichever may be*  
13 *the higher, unless such commodities are being disposed of,*  
14 *pursuant to this Act, only for export; and the Commodity*  
15 *Credit Corporation may dispose of or cause to be disposed*  
16 *of for cash, for export only at competitive world prices,*  
17 *any farm commodity or product thereof without regard to*  
18 *restrictions with respect to the disposal of commodities im-*  
19 *posed upon it by any law.*

20 *DISPOSITION OF PLANTS*

21 *SEC. 16. Whenever the Board or any disposal agency*  
22 *shall begin negotiations for the disposition to private inter-*  
23 *ests of a plant or plants or other property representing an*  
24 *original cost to the Government of \$1,000,000 or more, or*



1 of patents, processes, techniques or inventions, irrespective of  
2 cost, the Board or disposal agency shall promptly notify  
3 the Attorney General of the proposed disposition and the  
4 probable terms or conditions thereof. Within a reasonable  
5 time in no event to exceed ninety days after receiving such  
6 notification the Attorney General shall advise the Board or  
7 disposal agency whether the proposed disposition will either  
8 violate the antitrust laws, or encourage monopoly or undue  
9 concentration of industry or commerce or restrain competition  
10 substantially: Provided, however, That the words "undue  
11 concentration" where used herein shall not be construed  
12 to apply to any geographical concentration. Upon the  
13 request of the Attorney General, the Board or other Gov-  
14 ernment agency shall furnish or cause to be furnished such  
15 information as the Board or any such agency may possess  
16 which the Attorney General determines to be appropriate  
17 or necessary to enable him to give the advice called for by  
18 this section or to determine whether any other disposition  
19 of surplus property violates the antitrust laws. Nothing in  
20 this Act shall impair, amend, or modify the antitrust laws  
21 or limit and prevent their application to persons who buy  
22 or otherwise acquire property under the provisions of this  
23 Act. As used in this section, the term "antitrust laws"  
24 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),  
25 as amended; the Act of October 15, 1914 (ch. 323, 38

1 *Stat. 730), as amended; the Federal Trade Commission Act;*  
2 *and the Act of August 27, 1894 (ch. 349, secs. 73, 74,*  
3 *28 Stat. 570), as amended.*

4       *SEC. 17. Every contract for the sale, or lease for two*  
5 *years or more, of a plant shall be made upon the condition*  
6 *that the purchaser, lessee, or transferee, and their transferees,*  
7 *if any, shall maintain the plant in substantial operation and*  
8 *production for a period of two years next succeeding the*  
9 *effective date of the contract, or, next succeeding the date*  
10 *upon which operations begin after a period of conversion and*  
11 *alteration to be approved by the Board, but not to exceed*  
12 *one year, and that upon breach of such condition, the Gov-*  
13 *ernment may rescind the contract and upon return of so*  
14 *much of the consideration as shall be equitable, recover the*  
15 *plant: Provided, however, That when such operation or pro-*  
16 *duction is prevented by any cause beyond the control of the*  
17 *purchaser, lessee, or transferee, or their transferees, it shall*  
18 *not be considered a breach of such condition.*

19       *SEC. 18. Every existing option to purchase or otherwise*  
20 *acquire Government-owned property shall, before it is con-*  
21 *summated, be submitted to the Attorney General for his*  
22 *opinion as to its validity.*

23       *SEC. 19. Except as herein or otherwise provided, no*  
24 *Government agency shall, in competition with private in-*  
25 *dustry, manufacture or produce any articles or com-*



1 *modities for civilian use: Provided, That the foregoing shall*  
2 *not be construed to prohibit the manufacture or production*  
3 *of articles or commodities for civilian use when specifically*  
4 *authorized by Act of Congress, in plants or facilities (such*  
5 *as the Government Printing Office, power and public works*  
6 *projects, prisons, reformatories, and hospitals and like*  
7 *institutions) not constructed or acquired for war purposes.*

8 *LIMITATIONS ON DISPOSITION OF AIRPORT AND HARBOR*  
9 *FACILITIES AND FORTS*

10 *SEC. 20. (a) In order that States and political subdivi-*  
11 *sions thereof, including municipalities, and other governmental*  
12 *units and agencies may have an opportunity to enter into*  
13 *arrangements for the use, operation, or acquisition of airport*  
14 *and harbor and port terminal facilities, no such facilities shall*  
15 *be disposed of or dismantled except after a report to the Con-*  
16 *gress, including recommendations of the Civil Aeronautics*  
17 *Administration in the case of airport facilities and the Secre-*  
18 *tary of Commerce in the case of harbor and port terminal*  
19 *facilities; and no technical equipment of any airport left in a*  
20 *standby condition shall be removed except for use at some*  
21 *other place until reasonable opportunity is afforded to inter-*  
22 *ested States and political subdivisions thereof, including mu-*  
23 *nicipalities and other governmental units, to enter into ar-*  
24 *rangements for the use, operation, or acquisition of such*  
25 *airport.*

1       (b) Any real property which is a part of any perma-  
2   nent military reservation or post or fort, either occupied or  
3   held in standby status, is excluded from the provisions of this  
4   Act, and shall not be disposed of except upon authorization  
5   by law hereafter granted.

6       (c) Before any real property which was acquired for  
7   use as a military camp or cantonment is disposed of under  
8   the provisions of section 22 of this Act, an opportunity shall  
9   first be afforded to the State in which such property is located  
10   and to its political subdivisions, including municipalities, to  
11   purchase or lease such real property for public uses at dis-  
12   counts not to exceed 50 per centum of the sale or lease  
13   market value thereof, as the case may be, or 50 per centum  
14   of the highest price offered by any private purchaser or  
15   lessee, whichever is lower. If such real property is not pur-  
16   chased or leased by such State or any of its political sub-  
17   divisions prior to the adjournment of the legislature or  
18   authorized governing body in session at the time such property  
19   becomes available for disposition, or if such legislature or  
20   authorized governing body is not then in session, prior to  
21   the adjournment of the next session thereafter, such real  
22   property may be disposed of in accordance with the pro-  
23   visions of section 22 of this Act. Any property purchased  
24   by a State or political subdivision thereof under this sub-



1 section shall be subject to the provisions of subsection (d) of  
2 section 12.

3 STOCK-PILING

4 SEC. 21. All Government-owned accumulations of stra-  
5 tegic minerals and metals, including those owned by any  
6 Government corporation, shall be transferred by the owning  
7 agency, when determined to be surplus pursuant to this Act,  
8 to the account of the Treasury Procurement Division and  
9 shall be added to the stock-pile authorized by the Act of June  
10 7, 1939 (53 Stat. 811), as amended, and shall be subject  
11 to its provisions. The minerals and metals may be trans-  
12 ferred in any form in which they are held, but the owning  
13 agency or the Treasury Procurement Division is authorized  
14 either before or after such legal transfer to cause such minerals  
15 or metals to be put into forms best suited for storage and use  
16 for the common defense. As used in this section the phrase  
17 "strategic minerals and metals" means all minerals and  
18 metals included in either group A or group B of the list  
19 of strategic and critical materials determined upon by the  
20 Army and Navy Munitions Board on March 6, 1944, and  
21 any other minerals or metals which said Board determines  
22 should be added to group A or group B, and shall include  
23 ores, concentrates, alloys, scrap, and partially and completely  
24 fabricated articles of which the principal components by  
25 value consist of such minerals and metals, but shall not

1 include such fabricated articles as the Army and Navy  
2 determine are not suitable for their use in the form in which  
3 fabricated and which may be disposed of commercially at  
4 value substantially in excess of the metal market price of  
5 the component minerals and metals of such fabricated articles.  
6 Transfers under this section shall be made without reim-  
7 bursement or transfer of funds except that, if the Recon-  
8 struction Finance Corporation or any of its subsidiaries is  
9 the owning agency for any property so transferred, the  
10 Secretary of the Treasury shall cancel notes of the Recon-  
11 struction Finance Corporation in an amount equal to the  
12 cost of the property so transferred.

#### 13 DISPOSAL OF SURPLUS REAL PROPERTY

14 SEC. 22. (a) Notwithstanding any other provision of  
15 this Act property as defined in this section shall be disposed  
16 of only as provided in this section.

17 (b) As used in this section, unless the context otherwise  
18 requires, the term "property" includes land, together with  
19 any fixtures and improvements thereon, located outside of the  
20 District of Columbia acquired (since December 31, 1939)  
21 by the United States or by any corporation wholly owned  
22 by the United States, but does not include the public domain,  
23 or lands withdrawn or reserved from the public domain, and  
24 does not include war housing, industrial plants, factories, or  
25 similar structures or facilities, or the sites thereof.



1       (c) (1) *The Secretary of the Interior shall establish*  
2 *and maintain in the General Land Office a central inventory*  
3 *of all lands now owned and held or hereafter acquired by*  
4 *the United States for its use, including lands in its Terri-*  
5 *tories and possessions, and, in his discretion, may include in*  
6 *such inventory any other lands, or any interests in lands,*  
7 *now held or hereafter acquired by the United States. The*  
8 *inventory shall also show the disposal which may be made*  
9 *of any of the lands or interests included therein.*

10       (2) *Any Government agency authorized to acquire,*  
11 *accept, or hold title to or an interest in land in the name of*  
12 *the United States or of such agency, or which has federally*  
13 *owned land, other than public-domain land, under its juris-*  
14 *diction or control, shall submit to the Secretary of the Interior*  
15 *for recordation in the General Land Office the documents by*  
16 *which the title to or an interest in the lands covered by this*  
17 *subsection was acquired by a Government agency, or disposed*  
18 *of subsequent to the effective date of this Act, together with*  
19 *such other data, including a plat of the tract of land involved,*  
20 *as may be required. The General Land Office, after making*  
21 *a copy for its records by such methods as it deems feasible,*  
22 *shall return the original documents, except any plat that may*  
23 *have been required, to the agency submitting them with an*  
24 *appropriate notation thereon showing that they have been*  
25 *recorded by the General Land Office.*

1       (3) *All provisions of law relating to the custody, use,*  
2 *and effect of records of the General Land Office, including the*  
3 *Act of August 24, 1912 (37 Stat. 497; 5 U. S. C., secs.*  
4 *488-492), shall apply to records made under the authority*  
5 *of this subsection. Authenticated copies of any such record*  
6 *certified as being a true copy of the document from which*  
7 *such record was made shall be admissible in evidence equally*  
8 *with the original of such document.*

9       (d) (1) *It shall be the duty of the head of every Gov-*  
10 *ernment agency to make a survey of property which is under*  
11 *the jurisdiction of the agency and which was acquired subse-*  
12 *quent to December 31, 1939, to determine if any part of the*  
13 *property is not needed by the agency for the efficient per-*  
14 *formance of its functions. If he finds that any such property*  
15 *is unnecessary for such purpose, he shall report his findings*  
16 *to the Secretary of the Interior, together with a description of*  
17 *the property which is not needed by the agency, and shall*  
18 *thereupon transfer jurisdiction over such property to the*  
19 *Secretary of the Interior. Property transferred to the Secre-*  
20 *tary under this subsection is hereinafter referred to as "surplus*  
21 *real property".*

22       (2) *This subsection shall not apply to any property*  
23 *which has been specifically set aside by Act of Congress for*  
24 *specific purposes, or which is held by a credit agency in*  
25 *the course of its lending operations, or which is authorized*



1 to be disposed of pursuant to section 43 of the Bankhead-Jones  
2 Farm Tenant Act, as amended, or which is held by any  
3 agency or person under subdivision (b) of section 5 of the  
4 Trading with the Enemy Act of October 6, 1917 (40 Stat.  
5 411), as amended.

6 (e) Immediately after the transfer of surplus real prop-  
7 erty to the Secretary of the Interior it shall be the duty of  
8 the said Secretary and the Secretary of Agriculture, acting  
9 jointly, to classify such property as agricultural, grazing,  
10 forest, mineral, or otherwise, as they may deem advisable.  
11 The classification may be revised from time to time. In case  
12 of disagreement as to the classification of any property the  
13 Director of War Mobilization or his successor shall make the  
14 decision.

15 (f) (1) In the case of any surplus real property which  
16 was acquired by any Government agency after December 31,  
17 1939, and is classified under this section as agricultural land,  
18 the person from whom such land was acquired or, in the  
19 event of his death, his lineal heirs, shall be given notice that  
20 the land is to be disposed of by the United States and shall  
21 be entitled to purchase such land, in substantially the iden-  
22 tical tract as when acquired from such person, at private sale  
23 at any time during the period of ninety days following such  
24 notice: Provided, That such period shall be extended in any  
25 case when it appears that such extension is necessary or

1 appropriate to facilitate the sale of any land under this sub-  
2 section: Provided further, That the Secretary of the In-  
3 terior is hereby authorized and directed to sell without war-  
4 ranty the tract of land of approximately five hundred and  
5 thirty-two and four-tenths acres, in Cleveland County, Okla-  
6 homa, commonly known as Moore Field, and more par-  
7 ticularly described in, and acquired through, a declaration  
8 of taking executed by the Under Secretary of the Navy and  
9 filed in the United States District Court for the Western  
10 District of Oklahoma, and judgment entered thereon, in the  
11 proceedings in such court entitled "United States of America,  
12 petitioner, against 532.4 Acres of Land, More or Less, in  
13 Cleveland County, Oklahoma, and Mrs. J. R. Holliday, and  
14 Others, defendants, numbered 1120-Civil", and to execute  
15 and deliver a deed, or deeds, to the person, or persons, or  
16 their heirs or assigns, from whom the original holdings were  
17 acquired: Provided further, That the sale price for such  
18 land shall be a sum sufficient to cover the original purchase  
19 price and any sums expended by the Navy Department upon  
20 such land or arising out of the use and occupancy thereof  
21 by the Navy Department: Provided further, That the said  
22 Secretary is hereby authorized to make rules and regulations  
23 necessary to carry into effect the provisions of this section.

24 (2) In the event that land which was employed in farm-  
25 ing operations when acquired by the Government but which



1 is no longer classified as agricultural land, is transferred  
2 to the Secretary of the Interior under this Act, the former  
3 owner of such land and his lineal heirs may be offered  
4 similar agricultural land in the same area, if such land is  
5 available.

6 (3) Where a tenant of the former owner of agricultural  
7 land, who was a tenant at the time of the acquisition of such  
8 land by the United States, signifies his intention to purchase  
9 such land within a period of ninety days following notice  
10 of sale, and the former owner or his heirs are unavailable  
11 or decline to exercise the privilege, the tenant shall be entitled  
12 to purchase the land at private sale. If the tenant is unable  
13 to purchase the land that he was operating at the time of  
14 acquisition by the Government, and similar agricultural land  
15 in the same area is available after former owners (or their  
16 lineal heirs or tenants) have exercised their privileges, the  
17 tenant shall be entitled to purchase such land.

18 (4) In the event there is more than one applicant for  
19 the purchase of the land, the Secretary of the Interior or the  
20 Secretary of Agriculture, as the case may be, shall determine  
21 whether the land is capable of subdivision, and, if subdivi-  
22 sion would result in the creation of farms in less than family-  
23 size units, the priority among the applicants for the right to  
24 purchase shall be determined by lot.

25 (5) The price to be paid for land sold under this sub-

1 section shall be an amount equal to the price paid for it at  
2 the time of its acquisition by the department or agency by  
3 which it was acquired, increased or decreased, as the case  
4 may be, by an amount equal to any increase or decrease in  
5 the market value of such land by reason of any improve-  
6 ments or changes made thereon, or by reason of the use  
7 thereof, during the time it was owned by the United States,  
8 or a price equal to the market price at the time of sale of  
9 such surplus land, whichever price is the lower.

10 (6) The Secretary of the Interior or the Secretary of  
11 Agriculture, as the case may be, shall determine the method of  
12 giving notice and may prescribe notice by publication for  
13 such period and in such manner as he deems appropriate or  
14 by other means, and may by regulation prescribe methods  
15 for the identification of the person entitled to exercise the  
16 privileges conferred by this subsection.

17 (g) (1) For a period of fifteen years following the  
18 effective date of this Act, whenever any surplus real property  
19 classified as suitable for agricultural, residential, or small  
20 business purposes is to be disposed of, veterans shall be  
21 granted a preference in the acquisition or purchase of such  
22 property over nonveterans, except as provided in subsection  
23 (f) of this section. The Secretary of the Interior or the  
24 Secretary of Agriculture, as the case may be, shall determine  
25 the units in which the property is to be disposed of, giving



1 *due consideration to the character of the property, the eco-*  
2 *nomie use to which it is to be put, and the objectives of*  
3 *disposition as set forth in this Act.*

4       (2) *Except as to property to be disposed of under the*  
5 *public land laws, the following procedure shall govern the*  
6 *exercise of veterans' preference rights under this subsection:*  
7 *The Secretary of the Interior or the Secretary of Agriculture,*  
8 *as the case may be, shall determine the fair market value of*  
9 *each unit. Before any such property is offered for sale,*  
10 *except under subsection (f), either by public sale or by nego-*  
11 *tiated sale, any veteran may apply for the purchase of any*  
12 *or all units offered for sale at the price established by the Sec-*  
13 *retary. The Secretary shall prescribe the time within which*  
14 *application shall be made and shall give such notice thereof*  
15 *as he deems reasonable to enable veterans to exercise their*  
16 *rights under this subsection. The Secretary shall select the*  
17 *purchaser of each unit by lot from among the applicants for*  
18 *the unit. If any applicant is selected as the purchaser of more*  
19 *than one unit, he shall elect which one to take, whereupon the*  
20 *right to purchase the remaining units shall go to the remain-*  
21 *ing applicants in the order in which their names were drawn.*  
22 *No veteran may apply for the purchase of any property un-*  
23 *der the provisions of this subsection if he has previously exer-*  
24 *cised a preference right under this section and has acquired*  
25 *property pursuant thereto, except that the purchase by such*

1 *veteran of a tract or tracts of land aggregating not more*  
2 *than fifteen acres shall not prevent such veteran from acquir-*  
3 *ing a homestead under the public land laws. Sales to*  
4 *veterans under this subsection shall be upon such terms as*  
5 *the Secretary may prescribe. If no sale of property to a*  
6 *veteran is effected under this subsection, the property shall*  
7 *be disposed of as provided in subsection (h).*

8       *(3) The preference right accorded to each veteran may,*  
9 *if not previously exercised, be exercised upon his death by*  
10 *his spouse or by his children, in that order. The same pref-*  
11 *erence right shall also be extended to the spouse or children of*  
12 *any person who, except for his death while in active service,*  
13 *would qualify as a veteran under the provisions of this Act.*  
14 *No preference right may be assigned or exercised by power of*  
15 *attorney or through a power to select except as may be*  
16 *permitted by regulations prescribed by the Secretary of the*  
17 *Interior and the Secretary of Agriculture, in order to prevent*  
18 *the loss of such right by the holder thereof.*

19       *(h) (1) Lands classified as suitable for disposition under*  
20 *the homestead and other public land laws shall be disposed of*  
21 *in accordance, or as near as may be, with the provisions of*  
22 *such laws.*

23       *(2) Lands classified as suitable for agricultural use,*  
24 *other than those to be disposed of under the homestead*  
25 *and other public land laws shall be transferred to the Secre-*



1 tary of Agriculture and shall be subdivided by him when-  
2 ever practicable into economic family-size units (taking into  
3 consideration the variations in sizes of economic units in differ-  
4 ent localities) and, after opportunity for exercise of the pref-  
5 erences under subsection (f) has been afforded, shall be sold  
6 insofar as possible to persons who expect to cultivate such  
7 land and to operate it for a livelihood. The Department of  
8 Agriculture is authorized and directed, within the limits of  
9 its current functions under the Bankhead-Jones Farm Tenant  
10 Act, to extend needed financial and other assistance to per-  
11 sons eligible for such assistance under the Bankhead-Jones  
12 Farm Tenant Act and the Servicemen's Readjustment Act  
13 of 1944, in connection with the disposal of surplus agricul-  
14 tural lands pursuant to this subsection.

15 (3) Before disposing of any other surplus real property,  
16 the Secretary of the Interior shall appraise the property and  
17 determine its fair market value. The property may then be  
18 sold at public sale or by negotiated sale, whichever method is  
19 determined by the Secretary to be most in the public interest.  
20 If the property is to be sold at public or negotiated sale, the  
21 Secretary shall give public notice thereof at least ninety days  
22 prior to the date of sale. He shall sell the property upon such  
23 terms as he deems most in the public interest to the highest  
24 bidder whose bid equals or exceeds the appraised value of the  
25 property and to whom a sale would be in accordance with the

1 objectives of this Act. If the property is to be sold by negotia-  
2 tion, the Secretary shall, upon the conclusion of the negotia-  
3 tions, give public notice for ninety days of the terms of the  
4 proposed sale. The notice shall state that during such period,  
5 protests against the sale may be made to the Secretary. At the  
6 end of the period the Secretary may approve or disapprove  
7 of the sale.

8 (i) In disposing of any property under subsection (h)  
9 (1) of this section the Secretary of the Interior shall (ex-  
10 cept in case of a sale to the original owner or his lineal heirs  
11 or tenants or to a veteran or his spouse or children) reserve to  
12 the United States all oil, gas, and other mineral deposits in the  
13 property; and such reservation of minerals shall be expressly  
14 stated in the instrument of conveyance.

15 (j) Upon the sale of any surplus real property under  
16 this section, the property may be taxed to the purchaser by  
17 the State or any local public taxing unit in which the prop-  
18 erty is located even though title thereto has not yet passed  
19 to the purchaser. The United States shall not be liable  
20 in any way for any tax which may be imposed on the  
21 property, but in the event all interests in the property revert  
22 to the United States prior to the passage of title, any lien on  
23 such property for unpaid taxes shall not be extinguished.

24 (k) The Secretary of the Interior and the Secretary of  
25 Agriculture each shall, not later than the January 1 follow-



1    *ing the end of each fiscal year, submit to the Congress a report*  
2    *on their activities under the provisions of this section for that*  
3    *fiscal year. Such reports shall contain any recommenda-*  
4    *tions for legislation or other action which the Secretary of the*  
5    *Interior or the Secretary of Agriculture believes will facilitate*  
6    *the operation of this section. The report of the Secretary*  
7    *of the Interior shall show by States the total area of land*  
8    *under the jurisdiction of each Government agency, the total*  
9    *area acquired and disposed of during the fiscal year, and*  
10    *other related data, together with a statement of the authority*  
11    *under which such acquisitions and disposals were made.*

12        *(l) The Secretary of the Interior and the Secretary of*  
13    *Agriculture may perform such acts and adopt such rules and*  
14    *regulations as are necessary for carrying out the provisions*  
15    *of this Act.*

16        *(m) In the case of sales of real property under this sec-*  
17    *tion or under any other provision of this Act, the form of*  
18    *deed or instrument of transfer shall be approved by the*  
19    *Attorney General. Deeds or other instruments containing*  
20    *general or special warranties of title may be issued and*  
21    *delivered to purchasers provided such warranties have been*  
22    *recommended and approved by the Attorney General. In*  
23    *determining whether general or special warranty deeds to*  
24    *properties may be issued and delivered, the Attorney Gen-*  
25    *eral is authorized to approve the issuance and delivery of*

1 *warranty deeds where titles are subject to infirmities of such*  
2 *character that in his opinion the interests of the United*  
3 *States will not be jeopardized under its warranty.*

4 *CIVIL REMEDIES AND PENALTIES*

5 *SEC. 23. (a) Where any property is disposed of in*  
6 *accordance with this Act and any regulations prescribed*  
7 *under this Act, no officer or employee of the Government*  
8 *shall (1) be liable with respect to such disposition except*  
9 *for his own fraud or (2) be accountable for the collection of*  
10 *any purchase price which is determined to be uncollectible*  
11 *by the agency responsible therefor.*

12 *(b) Every person (1) who makes or causes to be made,*  
13 *or presents or causes to be presented, or delivers or causes to*  
14 *be delivered to any employee, officer, agent, or representative*  
15 *of the United States or any Government agency or to any*  
16 *person in the civil, military, or naval service of the United*  
17 *States any claim, bill, receipt, check, voucher, statement, ac-*  
18 *count, certificate, affidavit, deposition, or other document,*  
19 *knowing the same to be false, fraudulent, or fictitious or*  
20 *knowing the same to contain or to be based on any false,*  
21 *fraudulent, or fictitious statement or entry; or (2) who shall*  
22 *cover up, or conceal, or misrepresent any material fact; or*  
23 *(3) who shall perform or engage in or cause to be performed*  
24 *or engaged in any act or acts with intent to defraud the*  
25 *United States; or (4) who shall use or engage in or cause*



1 to be used or engaged in any fraudulent trick, scheme, or  
2 device, for the purpose of securing or obtaining, or aiding  
3 to secure or obtain, for any person any payment, property,  
4 or other benefits from the United States or any Government  
5 agency in connection with the disposition of property under  
6 this Act; or (5) who enters into an agreement, combination,  
7 or conspiracy to do any of the foregoing—

8 (i) shall pay to the United States the sum of \$2,000  
9 for each such act, and double the amount of any damage  
10 which the United States may have sustained by reason  
11 thereof, together with the costs of suit; or

12 (ii) shall, if the United States shall so elect, pay to  
13 the United States, as liquidated damages, a sum equal  
14 to twice the consideration agreed to be given by such  
15 person to the United States or any Government agency;  
16 or

17 (iii) shall, if the United States shall so elect, restore  
18 to the United States the property thus secured and ob-  
19 tained and the United States shall retain as liquidated  
20 damages any consideration given to the United States or  
21 any Government agency for such property.

22 (c) The several district courts of the United States, the  
23 District Court of the United States for the District of  
24 Columbia, and the several district courts of the Territories  
25 of the United States, within whose jurisdictional limits the

1 person, or persons, doing or committing such act, or any  
2 one of them, resides or shall be found, shall wheresoever  
3 such act may have been done or committed, have full power  
4 and jurisdiction to hear, try, and determine such suit, and  
5 such person or persons as are not inhabitants of or found  
6 within the district in which suit is brought may be brought  
7 in by order of the courts to be served personally or by pub-  
8 lication or in such other reasonable manner as the court  
9 may direct.

10 (d) The civil remedies provided in this Act shall be  
11 in addition to all other criminal penalties and civil remedies  
12 provided by law.

13 SEC. 24. It shall be unlawful for any person employed  
14 in any Government agency, including commissioned officers  
15 assigned to duty in such agency, during the period and for  
16 two years after the period that such person is engaged in  
17 such employment or service, to seek or take employment with  
18 any person to whom disposition of Government property  
19 has been made under this Act, or to become counsel, attorney,  
20 or agent for such person, if such Government officer or em-  
21 ployee has been directly connected with such disposition.  
22 Any person violating the provisions of this section shall be  
23 fined not more than \$10,000, or imprisoned for not more  
24 than one year, or both.

25 SEC. 25. The first section of the Act of August 24, 1942



1 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is  
2 amended to read as follows:

3       *“The running of any existing statute of limitations appli-*  
4 *cable to any offense against the laws of the United States (1)*  
5 *involving defrauding or attempts to defraud the United States*  
6 *or any agency thereof whether by conspiracy or not, and in*  
7 *any manner, or (2) committed in connection with the nego-*  
8 *tiation, procurement, award, performance, payment for,*  
9 *interim financing, cancelation or other termination or settle-*  
10 *ment, of any contract, subcontract, or purchase order which is*  
11 *connected with or related to the prosecution of the present war,*  
12 *or with any disposition of termination inventory by any war*  
13 *contractor or Government agency, or (3) committed in con-*  
14 *nection with the care and handling and disposal of property*  
15 *under the Surplus Property Act, shall be suspended until*  
16 *three years after the termination of hostilities in the present*  
17 *war as proclaimed by the President or by a concurrent reso-*  
18 *lution of the two Houses of Congress. This section shall*  
19 *apply to acts, offenses, or transactions where the existing*  
20 *statute of limitations has not yet fully run, but it shall not*  
21 *apply to acts, offenses, or transactions which are already*  
22 *barred by provisions of existing law.”*

23                                   *MISCELLANEOUS PROVISIONS*

24       *SEC. 26. Surplus property disposals may be made with-*  
25 *out regard to any provision in existing law for competitive*

1 *bidding, unless the Board shall determine that disposal by*  
2 *competitive bid will in a given case better effectuate the policy*  
3 *of the Act.*

4       *SEC. 27. (a) All proceeds from any transfer or disposi-*  
5 *tion of property under this Act shall be deposited and*  
6 *covered into the Treasury to the credit of a special fund*  
7 *which shall be used exclusively for the reduction of the public*  
8 *debt, except as provided in subsections (b), (c), and (d)*  
9 *of this section.*

10       *(b) Where the property transferred or disposed of was*  
11 *acquired by the use of funds either not appropriated from the*  
12 *general fund of the Treasury or appropriated from the general*  
13 *fund of the Treasury but by law reimbursable from assess-*  
14 *ment, tax, or other revenue or receipts, then upon the request*  
15 *of the interested agency, the proceeds of the disposition or*  
16 *transfer shall be credited to the reimbursable fund or appro-*  
17 *priation or paid to the owning agency.*

18       *(c) To the extent authorized by the Board, any Gov-*  
19 *ernment agency disposing of property under this Act (1)*  
20 *may deposit, in a special account with the Treasurer of the*  
21 *United States, such amount of the proceeds of such disposi-*  
22 *tions as it deems necessary to permit appropriate refunds*  
23 *to purchasers when any disposition is rescinded or does not*  
24 *become final, or payments for breach of any warranty, and*



1 (2) may withdraw therefrom amounts so to be refunded or  
2 paid, without regard to the origin of the funds withdrawn.

3 (d) Where a contract or subcontract authorizes the  
4 proceeds of any sale of property in the custody of the con-  
5 tractor or subcontractor to be credited to the price or cost  
6 of the work covered by such contract or subcontract, the  
7 proceeds of any such sale shall be credited in accordance  
8 with the contract or subcontract and shall not be subject to  
9 subsection (a) of this section.

10 SEC. 28. (a) Any Government agency is authorized  
11 to use for the disposition of property under this Act and for  
12 its completion and care and handling, pending such disposi-  
13 tion, any funds heretofore or hereafter appropriated, allo-  
14 cated, or available to it for such purposes or for the purpose of  
15 production or procurement of such property.

16 (b) Any Government agency is authorized to use for  
17 the acquisition of any surplus property under this Act any  
18 funds heretofore or hereafter appropriated, allocated, or avail-  
19 able to it for the acquisition of property of the same kind.

20 (c) There are authorized to be appropriated such sums  
21 as may be necessary or appropriate for administering the  
22 provisions of this Act.

23 SEC. 29. (a) Nothing in this Act shall limit or affect  
24 the authority of commanders in active theaters of military  
25 operations to dispose of property in their control.

1       (b) The provisions of this Act shall be applicable to  
2 dispositions of property within the United States and else-  
3 where, but the Board may exempt from some or all of the  
4 provisions hereof, except the provisions of section 6, disposi-  
5 tions of property located outside of the continental United  
6 States, its Territories and possessions, whenever it deems  
7 that such provisions would obstruct the efficient and economic  
8 disposition of such property in accordance with the objectives  
9 of this Act.

10       SEC. 30. A deed, bill of sale, lease, or other instrument  
11 purporting to transfer title or any other interest in surplus  
12 property under this Act, which is executed by or on behalf  
13 of the Board, or by the Government agency to which the  
14 Board shall have assigned such surplus property for dis-  
15 posal, shall be conclusive evidence of compliance with the  
16 provisions of this Act so far as the title or other interest of  
17 any bona fide purchaser or lessee, as the case may be, is  
18 concerned.

19       SEC. 31. (a) This Act shall not impair or affect any  
20 authority for the disposition of property under any other  
21 law not inconsistent herewith, except that the Board may  
22 prescribe regulations to govern any disposition of surplus  
23 property under any such authority to the same extent as if  
24 the disposition were made under this Act, whenever it deems



1 such action necessary to effectuate the objectives and policies  
2 of this Act.

3 (b) Nothing in this Act shall impair or affect the  
4 provisions of the Contract Settlement Act of 1944; the  
5 Emergency Price Control Act of 1942, as amended;  
6 the Act of October 2, 1942 (ch. 578, 56 Stat. 765),  
7 as amended; section 301 of the Second War Powers  
8 Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as  
9 amended; the Tennessee Valley Authority Act of 1933, as  
10 amended; Public Law 849, Seventy-sixth Congress, respecting  
11 war housing; or Acts supplemental thereto, or of any law  
12 regulating the export of property from the United States,  
13 or the statutes relating to the public lands.

14 SEC. 32. If any provision of this Act, or the application  
15 of such provision to any person or circumstance, is held  
16 invalid, the remainder of this Act or the application of such  
17 provision to persons or circumstances other than those as to  
18 which it is held invalid, shall not be affected thereby.

19 SEC. 33. That section 8 (a) (1) of the Stabilization  
20 Act of 1942, as amended (relating to loans upon certain  
21 agricultural commodities), is amended by striking out "at  
22 the rate in the case of cotton of 92½ per centum" and inserting  
23 in lieu thereof "at the rate in the case of cotton of 95 per  
24 centum".

25 The amendment made by this Act shall be applicable

1 *with respect to crops harvested after December 31, 1943.*  
2 *In the case of loans made under such section 8 upon any*  
3 *of the 1944 crop of cotton before the amendment made by*  
4 *this section takes effect, the Commodity Credit Corporation*  
5 *is authorized and directed to increase or provide for in-*  
6 *creasing the amount of such loans to the amount of the*  
7 *loans which would have been made if the loan rate specified*  
8 *in this Act had been in effect at the time the loans were*  
9 *made.*

10                   TERMINATION INVENTORIES

11       *SEC. 34. (a) The Congress recognizes that upon termi-*  
12 *nation of war contracts, the plants of war contractors will*  
13 *be filled with vast termination inventories which until removed*  
14 *or disposed of will prevent or interfere with the resumption*  
15 *of civilian production and reemployment, and that so far as*  
16 *possible decisions should be made in advance of termination*  
17 *for the disposition and removal of the same without delay*  
18 *when termination occurs. While measures should be taken*  
19 *to realize the greatest possible value of termination inven-*  
20 *tories, nevertheless a large part of these inventories, not-*  
21 *withstanding the cost of production, are or will be of no fur-*  
22 *ther military use and cannot be used economically in civilian*  
23 *production.*

24       *The contracting agencies are therefore directed to the*  
25 *greatest extent practicable to determine in advance of the*



1 *termination of any war contract and advise the war*  
2 *contractor—*

3       (1) *to what extent termination inventories are or*  
4 *will be needed for military purposes;*

5       (2) *what part of the termination inventory, not*  
6 *needed for military purposes, has any other clearly*  
7 *foreseeable use;*

8       (3) *what part of the termination inventory, not*  
9 *needed for military purposes, and having no other clearly*  
10 *foreseeable use (either because of the peculiar qualities*  
11 *or characteristics of the items involved, or because the*  
12 *quantities available of such items are in excess of amounts*  
13 *for which such clearly foreseeable further use exists)*  
14 *shall be classified as scrap;*

15       (4) *the methods of handling, storing, and disposing*  
16 *of the different classifications of the termination inventory.*  
17 *To the extent that it shall be impracticable to make the*  
18 *foregoing determinations and to advise the war contractor*  
19 *in advance of termination, the contracting agencies shall*  
20 *be prepared to make such determinations and give such*  
21 *advice at the earliest practicable moment after termina-*  
22 *tion of the war contract.*

23       (b) *The Board and Director of Contract Settlement are*  
24 *hereby directed to collaborate for the purpose of achieving*

1 the objectives set forth in section (a) above and of section  
2 11 (a) (3) of the Contract Settlement Act of 1944.

3 (c) The terms "contracting agency" and "termination  
4 inventories" shall have the meaning assigned to such terms  
5 under section 3 of the Contract Settlement Act of 1944.

#### 6 DEFINITIONS

7 SEC. 35. As used in this Act—

8 (a) The term "Government agency" means any execu-  
9 tive department, board, bureau, independent commission,  
10 or other agency in the executive branch of the Federal  
11 Government, and any corporation wholly owned and con-  
12 trolled by the United States.

13 (b) The term "owning agency" means a Government  
14 agency having control of property at the time when it is  
15 determined to be surplus to the needs and responsibilities of  
16 that agency.

17 (c) The term "disposal agency" means any Govern-  
18 ment agency designated under this Act to handle disposition  
19 of one or more classes of surplus property, except owning  
20 agencies.

21 (d) The term "property" means any interest in prop-  
22 erty, real or personal, owned by the United States or any  
23 Government agency, including, but not limited to, patents,  
24 processes, techniques and inventions, and plants, facilities,



1 equipment, machinery, accessories, parts, assemblies, prod-  
2 ucts, commodities, materials, and supplies of all kinds,  
3 whether new or used, and wherever located.

4 (e) The term "surplus property" means any property  
5 which has been determined to be surplus to the needs and  
6 responsibilities of the owning agency in accordance with  
7 section 9 of this Act.

8 (f) The term "contractor inventory" means (1) any  
9 property related to a terminated contract of any type with a  
10 Government agency or to a subcontract thereunder; and (2)  
11 any property acquired under a cost-plus-a-fixed-fee contract  
12 and in excess of the amounts needed to complete performance  
13 thereunder; and (3) any property which the Government  
14 is obligated to take over under any type of contract as a result  
15 of any change in the specifications of plans thereunder;  
16 except, in each case, any Government-owned machinery or  
17 equipment subject to a separate contract or contract article  
18 specifically governing its use or disposition.

19 (g) The term "common supplies" means small tools and  
20 hardware and nonassembled articles which may be used in  
21 the manufacture of more than one type of product.

22 (h) The term "care and handling" includes completing,  
23 repairing, converting, rehabilitating, operating, maintaining,  
24 preserving, protecting, insuring, storing, packing, handling,  
25 and transporting.

1       (i) The term "option" means any contractual right to  
2 retain or acquire any property at a price and upon terms  
3 prescribed or determined by the contract.

4       (j) The term "person" means any individual, corpora-  
5 tion, partnership, firm, association, trust, estate, or other  
6 entity.

7       (k) The term "State" includes the several States, Terri-  
8 tories, and possessions of the United States, and the District  
9 of Columbia.

10      (l) The term "tax-supported institution" means any  
11 scientific, literary, educational, public-health, or public-wel-  
12 fare institution which is supported in whole or in part through  
13 the use of funds derived from taxation by the United States,  
14 or by any State or political subdivision thereof.

15      (m) The term "veteran" means any person who during  
16 the present war was entitled to the benefits afforded by the  
17 Soldiers' and Sailors' Civil Relief Act of 1940, as now or  
18 hereafter amended, and who has been honorably discharged  
19 or otherwise honorably separated from the service entitling  
20 him to such benefits; but the term "veteran" does not include  
21 any person who was entitled to such benefits solely by reason  
22 of being ordered to report for induction under the Selective  
23 Training and Service Act of 1940, as amended.

24      (n) The term "disposal" or "disposition" means sale,  
25 conditional sale, or lease, for cash, credit, or other property;



1 donation when specifically authorized in section 12; or any  
2 other transfer.

3 *EFFECTIVE DATE*

4 *SEC. 36. This Act shall become effective on the date of*  
5 *its enactment.*

6 *SHORT TITLE*

7 *SEC. 37. This Act may be cited as the "Surplus Prop-*  
8 *erty Act".*

Amend the title so as to read: "A bill to aid the recon-  
version from a war to a peace economy through the dis-  
tribution of Government surplus property and to establish a  
Surplus Property Board to effectuate the same, and for other  
purposes."

Passed the House of Representatives August 22, 1944.

Attest: SOUTH TRIMBLE,  
*Clerk.*

Passed the Senate with amendments August 25 (legis-  
lative day, August 15), 1944.

Attest: EDWIN A. HALSEY,  
*Secretary.*





78TH CONGRESS  
2D SESSION

H. R. 5125

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## AN ACT

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To provide for the disposal of surplus Government property and plants, and for other purposes.

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AUGUST 25 (legislative day, AUGUST 15), 1944

Ordered to be printed with the amendments of the  
Senate







## SURPLUS PROPERTY DISPOSAL

---

SEPTEMBER 14, 1944.—Ordered to be printed

---

Mr. MANASCO, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 5125]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Surplus Property Act of 1944"*.

#### OBJECTIVES

*SEC. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—*

*(a) to assure the most effective use of such property for war purposes and the common defense;*

*(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;*

*(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;*

*(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;*

*(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;*



(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

(g) to encourage and foster post-war employment opportunities;

(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

(j) to avoid dislocations of the domestic economy and of international economic relations;

(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

(l) to effect broad and equitable distribution of surplus property;

(m) to achieve the prompt and full utilization of surplus property at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

(p) to foster the development of new independent enterprise;

(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

(s) to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

#### DEFINITIONS

##### SEC. 3. As used in this Act—

(a) The term "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property, otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

(h) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(i) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(j) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

(k) The term "veteran" means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

#### DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

#### SURPLUS PROPERTY BOARD

SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the "Board"), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years



from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.

(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

#### DUTIES AND AUTHORITY OF BOARD

SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

#### COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

#### DELEGATION OF AUTHORITY

SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency, by or pursuant to this Act to any officer agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

#### REGULATIONS

SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent

with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

(d) Regulations prescribed under this Act shall be published in the Federal Register.

#### DESIGNATION OF DISPOSAL AGENCIES

SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

#### DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

(c) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the agency deems consistent with national security.

(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.

(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.



(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

#### UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

SEC. 12. (a) It shall be the duty of the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act.

(b) It shall be the responsibility of all Government agencies, in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not so doing.

(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Board, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### DISPOSAL TO LOCAL GOVERNMENTS AND NONPROFIT INSTITUTIONS

SEC. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

(1) (A) Surplus property that is appropriate for school, classroom, or other educational use may be sold or leased to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to

*hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.*

*(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.*

*(2) Surplus property shall be disposed of so as to afford public and governmental institutions, non-profit or tax-supported educational institutions, charitable and eleemosynary institutions, non-profit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.*

*(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until thirty days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such thirty-day period) and an attempt has been made within such thirty days to dispose of such property otherwise than by destruction.*

*(c) No airport and no harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Board, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.*

*(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this Act is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than one year, or otherwise disposed of, except as provided in section 12 or this section, unless specifically authorized by Act of Congress.*

*(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and*



more adequate locations, at a price not exceeding that paid therefor by the Government.

(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this Act except transfers under section 12.

#### DISPOSITION BY OWNING AGENCY

SEC. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of strategic minerals and metals, as defined in section 22.

(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### METHODS OF DISPOSITION

SEC. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: Provided, however, That in the case of raw materials, consumer goods, and small tools, hardware and nonassembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

*DISPOSITIONS TO VETERANS*

*SEC. 16. The Board shall prescribe regulations to effectuate the objectives of this Act to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this Act in the acquisition of the types of surplus property useful in such enterprises.*

*DISPOSITIONS IN RURAL AREAS*

*SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: Provided, however, That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.*

*SMALL BUSINESS*

*SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.*

*(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.*

*(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.*

*(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.*

*(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale, subject to regulations of the Board, to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position*



of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it. The provisions of subsections (a) and (c) of section 12 shall be applicable to purchases made by the Smaller War Plants Corporation under this subsection.

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

### DISPOSAL OF PLANTS

SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property;

(B) Outlining the economic problems that may be created by disposition of the property;

(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.

(d) *The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.*

(e) *This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.*

#### APPLICABILITY OF ANTITRUST LAWS

SEC. 20. *Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.*

#### DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 21. (a) *Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.*

(b) *The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.*

(c) *Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity*



Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: Provided, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

### STOCK PILING

SEC. 22. (a) All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions: Provided, That contractor inventory shall be so transferred only when the owning agency has taken possession of and determined such inventory to be surplus. The minerals and metals may be transferred in any form in which they are held, but the owning agency or the Treasury Procurement Division is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means copper, lead, zinc, tin, magnesium, manganese, chromite, nickel, molybdenum, tungsten, mercury, mica, quartz crystals, industrial diamonds, cadmium, fluorspar, cobalt, tantalite, antimony, vanadium, platinum, beryl, graphite (and to which may be added aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board may determine to be necessary for the stock pile authorized by the Act of June 7, 1939), and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

(b) Pending a determination by the War Production Board that the supplies of the respective strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency subject to the regulations prescribed by the Surplus Property Board shall withhold from transfer under this section an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of six months for purposes other than war production; and may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price of the respective minerals and metals.

(c) Any Government-owned accumulations of strategic materials shall at the request of the War and Navy Departments be transferred by the

owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The materials may be transferred in any form in which they are held and they shall thereafter be put into forms best suited for storage and use for the common defense. The term "strategic materials" as used in this subsection means all materials except strategic minerals and metals as defined in subsection (a) of this section and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but shall not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof. The Army and Navy Munitions Board is authorized to direct the removal from the list of any of the materials as defined in this subsection, in which event they shall be disposed of under the provisions of this Act.

(d) Within three months following the enactment of this Act the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held in the stock pile authorized by the Act of June 7, 1939. After one year from the submission of such recommendations, unless the Congress provides otherwise by law, the Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to this Act.

#### DISPOSAL OF SURPLUS REAL PROPERTY

SEC. 23. (a) As used in this section—

(1) The term "real property" means property consisting of land, together with any fixtures and improvements thereon, located outside of the District of Columbia, but does not include war housing, industrial plants, factories, or similar structures and facilities, or the sites thereof, or land which the Board determines is essential to the use of any of the foregoing; and

(2) The term "surplus real property" means real property which has been determined under section 11 to be surplus property.

(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time.

(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any



time during the period of ninety days following such notice: *Provided, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.*

(B) *In the case of real property acquired by any Government agency after December 31, 1939, which either—*

(i) *has not been determined under section 11 to be surplus property, or*

(ii) *has been disposed of under section 12 or 13, or*

(iii) *is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A),*

*the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.*

(2) *In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.*

(3) *The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.*

(4) *The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privileges conferred by this subsection.*

(e) *If any surplus real property is not disposed of under subsection (d)—*

(1) *such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and*

(2) *such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.*

(f) (1) *Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.*

(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board shall prescribe the time within which application shall be made and shall give notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

(h) A certificate by the disposal agency that the provisions of subsections (d), (f), and (g) have been complied with in the case of any property and that no qualified applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

(i) In the case of surplus real property which is classified as suitable for agricultural use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (e) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

(j) In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the



*Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.*

#### REPORTS TO CONGRESS

*SEC. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.*

#### TITLE OF PURCHASER

*SEC. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.*

#### CIVIL REMEDIES AND PENALTIES

*SEC. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.*

*(b) Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agreement, combination, or conspiracy to do any of the foregoing—*

*(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or*

*(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or*

*(3) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.*

*(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have*

been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

(d) *The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.*

#### PRACTICE BY FORMER EMPLOYEES

SEC. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.

#### STATUTE OF LIMITATIONS

SEC. 28. *The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:*

*"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."*

#### MISCELLANEOUS PROVISIONS

SEC. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.

#### DISPOSITION OF PROCEEDS

SEC. 30. (a) All proceeds from any transfer or disposition of property under this Act shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.



(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.

#### USE OF APPROPRIATED FUNDS

SEC. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

#### DISPOSITIONS OUTSIDE UNITED STATES

SEC. 32 (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, its Territories and

possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

#### RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

SEC. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the importation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

#### SAVING PROVISIONS

SEC. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, as amended, respecting war housing and facilities; the Act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

#### TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

SEC. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act,



and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

### TERMINATION INVENTORIES

SEC. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

(b) In advance of termination, to the maximum extent practicable—

(1) each contracting agency shall advise its war contractors of the classes of termination inventory the contracting agency will wish to retain for military purposes; and

(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

(e) For the purposes of this section, the terms "contracting agency", "termination inventory", and "war contractor" shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

### INCREASE IN LOAN RATE ON COTTON

SEC. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out "at the rate in the case of cotton of 92½ per centum" and inserting in lieu thereof "at the rate in the case of cotton of 95 per centum".

(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

### EXPIRATION DATE

SEC. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term "date of the cessation of hostilities in the present war" means the date proclaimed by the President

*as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such cessation, whichever is the earlier.*

SEPARABILITY OF PROVISIONS

*SEC. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. And the Senate agree to the same.*

Amend the title to read as follows: "An Act to aid the reconversion from a war to a piece economy through the distribution of Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes".

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILL M. WHITTINGTON,  
CHARLES L. GIFFORD,

By C. M.,  
GEORGE H. BENDER,  
By C. M.,

*Managers on the part of the House.*

ELBERT D. THOMAS,  
EDWIN C. JOHNSON,  
LISTER HILL,  
ALBERT B. CHANDLER,

By E. C. J.,  
WARREN R. AUSTIN,  
CHAN GURNEY,  
CHAPMAN REVERCOMB,

*Managers on the part of the Senate.*



## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

### ADMINISTRATION

The House bill provided for the administration of the disposition of surplus property by a single Administrator who was to be appointed by the President, by and with the advice of the Senate, and to receive compensation of \$12,000 per annum.

The Senate amendment provided for administration by a board of eight members to be appointed by the President, by and with the advice and consent of the Senate, and to receive compensation at the rate of \$10,000 per annum. In the selection of members of the Board, the President was directed to give due consideration to the various geographic areas and economic interests of the Nation. The Chairman of the Board was to be elected by the Board itself. In case of a tie vote, the Director of War Mobilization was to have the deciding vote. The Board was authorized to appoint an Administrative Director at a salary of \$10,000 per annum and was authorized to delegate any of its "administrative" authority to the Administrative Director.

Both the House bill and the Senate amendment provided for an advisory council consisting of certain named Government officials with which the Administrator (under the House bill) and the Board (under the Senate amendment) were to advise and consult.

Both under the House bill and under the Senate amendment, provision was made for the organizing of industry advisory committees to furnish advice with respect to the disposition of various classes of surplus property.

The conference agreement (sec. 5) creates a Surplus Property Board consisting of three members, to be appointed by the President, by and with the advice and consent of the Senate, and to receive compensation at the rate of \$12,000 per annum. The term of office of the members is 2 years. The President is to designate one of the members as Chairman of the Board. The Board is authorized to employ such personnel as may be necessary to carry out its functions. Special assistants, certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, are authorized to be appointed by the Board without regard to the civil-service laws and the Classification Act of 1923. The Board is given (sec. 6) general supervision and direction over the care and handling and disposition of surplus property and the transfer of surplus property between Government agencies.

The conference agreement does not contain any provision for an advisory council of named Government officials, but does (sec. 7) require the Board to advise and consult with other interested Government agencies affected by the disposition of surplus property. Similarly, no provision is made in the conference agreement directing the organization of industry advisory committees.

#### DECLARATION OF SURPLUS PROPERTY

Both under the House bill and the Senate amendment, property could be declared surplus only by the owning agency, and the Administrator (under the House bill) and the Board (under the Senate amendment) were given power only to bring to the attention of Congress any case in which it appeared that an owning agency had property in its control which was, in fact, surplus to its needs and responsibility, but which had not been reported as such by the owning agency. The conference agreement (sec. 11) contains provisions similar to both the House bill and the Senate amendment in this respect.

#### UTILIZATION BY OTHER FEDERAL AGENCIES

Both the House bill and the Senate amendment had the effect of providing that surplus property of one Federal agency should first be made available to other Federal agencies for their use prior to its disposition. Under the House bill it was specifically provided that transfers between Government agencies were to be made at the fair value of the property as fixed by the disposal agency, under regulations of the administrative authority, unless transfer without reimbursement or transfer of funds was otherwise authorized by law. There was no comparable provision in the Senate amendment.

The conference agreement (sec. 12) provides that transfers of surplus property between Government agencies are to be given priority over all other disposals provided for in the act; but the provision of the House bill requiring reimbursement or transfer of funds is retained. Thus no Government agency can acquire surplus property of any other Government agency unless it has appropriations available to pay for the property.

#### DONATIONS AND PRICE PREFERENCES

Under the House bill only property which had no commercial value could be given away and then only to public and nonprofit educational and charitable organizations. Under the House bill it was provided that the following were, to the extent feasible and to the public interest, to be afforded an opportunity to fulfill their legitimate needs: Public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, insular possessions, and the District of Columbia, volunteer fire companies, and cooperative organizations.

Under the Senate amendment it was provided that surplus property that was appropriate for school, classroom, or other educational use could be donated to the States and their political subdivisions and tax-supported educational institutions, and also to certain nonprofit educational institutions. Similarly, surplus medical supplies and



other equipment and property suitable for use in the protection of the public health could be donated to the States and their political subdivisions and to tax-supported medical institutions, as well as certain nonprofit hospitals and other similar institutions. It was also provided in the Senate amendment that any surplus property could be disposed of to States, political subdivisions thereof, tax-supported institutions, peoples' utility districts and rural electrification cooperatives, and certain specified nonprofit institutions at discounts up to 50 percent.

The conference agreement (sec. 13) retains the provision of the House bill with respect to the donation of property having no commercial value. This is the only case in which donation is authorized. The conference agreement further provides that the Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to nonprofit institutions, and shall determine on the basis of need what transfers are to be made. In formulating such regulations the Board is to be guided by the objectives of the act and to give effect to the following policies to the extent feasible and in the public interest:

(1) Surplus property appropriate for educational use may be sold or leased to the States and their political subdivisions and to tax-supported educational institutions, as well as to certain other nonprofit educational institutions.

(2) Surplus medical supplies, etc., may be sold or leased to States and their political subdivisions, and to tax-supported medical institutions, as well as to hospitals and other similar nonprofit institutions.

(3) In fixing the sale or lease value of property to be disposed of in each of the above cases, the Board is directed to take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(4) Surplus property is to be disposed of so as to afford public and governmental institutions, nonprofit or tax-supported educational institutions, charitable institutions, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

The conference agreement (sec. 13 (c)) provides that no airport and no harbor or port terminal is to be disposed of until it has been first offered for sale or lease to the State, political subdivision, and any municipality in which it is situated, and to all municipalities in the vicinity. It is also provided (sec. 13 (d)) that no power transmission line shall be sold, leased for more than 1 year, or otherwise disposed of, except to another Federal agency, or to a State or political subdivision or instrumentality thereof, unless specifically authorized by an act of Congress if any State or political subdivision thereof, or any State or Government agency or instrumentality certifies that it is needful for or adaptable to requirements of a public or cooperative power project.

## PRICE

The conference agreement (sec. 2 (t)) provides that it is the objective to obtain, except as otherwise provided in the act, as nearly as possible the fair value of surplus property upon its disposition. What constitutes a fair value must, of course, be determined with reference to the character of the disposition (such as wholesale, as contemplated by the objective to utilize commercial channels of distribution), as well as all other appropriate factors.

The only exceptions in the conference agreement to the fair-value objective are—

(1) a provision (sec. 13 (e)) authorizing States and their political subdivisions to repurchase original rights-of-way on which highways or streets were established at a price not exceeding that paid therefor by the Government, and

(2) a provision (sec. 23 (d)) authorizing the former owner of real property (and his tenant) to reacquire such property at the price paid by the Government, adjusted for any increase or decrease in the value of the property by reason of action by the United States.

The provision (sec. 13 (a) (1) (C)) authorizing the Board to take into consideration any benefit which has accrued or may accrue to the United States from the use of educational property and surplus medical supplies, etc., by States, political subdivisions, instrumentalities, and institutions, described under the heading "Donations and Price Preferences," simply has the effect of treating the benefit so accruing to the United States as a medium of payment.

## MERCHANT VESSELS AND NAVAL VESSELS

Both the House bill and the Senate amendment provided that in the case of merchant vessels and vessels capable of conversion to merchant use, the United States Maritime Commission should be the sole disposal agency of such vessels, and that such vessels should be disposed of only in accordance with the Merchant Marine Act, 1936, and other law authorizing the sale of such vessels. The conference agreement (sec. 10 (b)) also contains this provision.

The House bill provided that no combat naval vessels, stations, or establishments should be disposed of except in accordance with existing law specifically authorizing their disposition, and in all cases where such disposition had not been so specifically authorized that no disposition of any combat naval vessel, station, or establishment should be made unless Congress by law so authorized. It was further provided in the House bill that the Navy Department should be the sole disposal agency for such combat vessels, stations, and establishments. The conference agreement (sec. 2 (d)) excludes from the definition of the term "property" naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines. This has the effect of excluding vessels of these categories entirely from the operation of any of the provisions of the act, and their disposition, if any is to take place, must take place under provisions of existing law and not under the provisions of the act. No special provision is made in the conference agreement with respect to



naval stations or establishments, and the provision in the House bill making the Navy Department a disposal agency is omitted from the conference agreement.

#### DISPOSITIONS TO VETERANS

Under the House bill it was provided that the Administrator in formulating regulations to govern the disposition of surplus property should be guided by the objectives and should give effect to a number of specified policies, among which was the policy to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises and to afford those serving in the Army, Navy, Marine Corps, and all war veterans an opportunity to purchase single units or small lots of surplus property at the same price for which such property has been sold or offered for sale in large lots. Under the Senate amendment it was made one of the functions and duties of the Board to effectuate the objectives of the act to aid honorably discharged veterans to establish and maintain their own small business, professional, or agricultural enterprise by affording such veterans suitable preferences in the acquisition of types of property useful in such enterprises.

The conference agreement (sec. 16) directs the Board to prescribe regulations to effectuate the objectives of the act to aid veterans to establish and maintain their own small business, professional or agricultural enterprises by affording them suitable preferences to the extent feasible in the acquisition of the types of property useful in such enterprises.

The preference to veterans in the purchase of real property is discussed under the heading "Disposition of surplus real property."

#### DISPOSITIONS IN RURAL AREAS

The Senate amendment made it one of the functions and duties of the Board to devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as would assure farmers and farmer's cooperative associations equal opportunity with others to purchase surplus property. It was further provided that in cases where a shortage of trucks, machinery, and equipment impairs farm production that the Board develop a program in cooperation with the War Food Administrator whereby a reasonable portion of the surplus supplies would be made available for sale in rural areas to farmers and farmer's associations. There was no similar provision in the House bill.

The conference agreement (sec. 17) contains provisions similar to those of the Senate amendment in this respect, except that the truck program is to be developed by the Board in cooperation with the Agricultural Adjustment Agency rather than with the War Food Administrator.

#### SMALL BUSINESS

The House bill directed the Administrator to provide for the disposal of all surplus property in the smallest practicable lots consistent with the usual and customary commercial practice and provided that

so long as an opportunity existed for the disposal of property to prospective purchasers of smaller lots preference was to be given to such purchasers over prospective purchasers of larger amounts. It was also provided in the House bill that in formulating regulations to govern disposition of surplus property the Administrator was to give effect, so far as feasible, to the policy affording business concerns, both small and large, opportunities to purchase surplus property on equal terms and to provide for uniform and wide public notice concerning surplus property available for disposition and providing for adequate time between the notice and disposition so that all interested persons should have a fair opportunity to acquire, and to utilize commercial channels of distribution.

The conference agreement (sec. 18), which follows closely the provisions of the Senate amendment, contains the following provisions relating to small business:

(1) It is made the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposition of surplus property.

(2) The Board is to issue regulations determining, or providing for the determination, as to all surplus property in the hands of each disposal agency, the size of lots and the areas in which the various classes of such property should be offered consistently with the usual and customary commercial practices. The available supply of each class in each area is to be so disposed of as to give to prospective purchasers within such area of one or more lots reasonable opportunity to acquire the desired amount in preference to prospective purchasers of a larger number of lots.

(3) The Smaller War Plants Corporation is given the responsibility of cooperating with the Board and with the owning and disposal agencies and bringing to the attention of the agencies and the Board the needs and requirements of small business, and to consult with small business to obtain full information concerning their needs for surplus property.

(4) The Smaller War Plants Corporation is also given the power to purchase surplus property for resale to small business, subject to regulations of the Board, when in the judgment of the Corporation such disposition is required to preserve and strengthen the competitive position of small business. Such purchase by the Smaller War Plants Corporation is to be at the fair value of the property, as in the case of purchase by other Government agencies. The Smaller War Plants Corporation is given power to make or guarantee loans to small business in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property and in co-operation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

#### DISPOSITION OF PLANTS

The House bill prohibited the disposition of any surplus Government-owned plant for the production of synthetic rubber or aluminum or any pipe line for the transportation of oil, which cost the Government \$5,000,000 or more, until after 6 months from the submission



to Congress of a report with respect thereto. If within that time Congress did not provide otherwise by law, disposition was authorized in accordance with a plan or program proposed in such report. It was also provided in the House bill that no Government agency could dispose of any surplus plant of any character which cost the Government \$1,000,000 or more without the approval of a majority of the members of the Advisory Board, provided for in the bill, which consisted of certain named Government officials.

The Senate amendment directed the Board to prepare and submit to Congress within 3 months after the enactment of the act a report of each of the following classes of property: (1) Aluminum plants; (2) magnesium plants; (3) synthetic rubber plants; (4) chemical plants; (5) aviation gas and gasoline plants; (6) iron and steel plants; (7) pipe lines for transporting oil; (8) patents, processing techniques, and inventions; (9) aircraft plants, and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; (12) radio and electrical equipment. The Board was authorized, if it deemed it to be in the interest of the objectives of the act, to provide for the disposition of any surplus property listed in classes (9) to (12), above, but with respect to the property listed in classes (1) to (8), above, no disposition was permitted until 30 days after the report had been made to Congress while Congress was in session.

The conference agreement (sec. 19) contains provisions similar to those contained in the Senate amendment with the following exceptions:

(a) There is excluded from the operation of this section of the conference agreement any plant which cost the Government less than \$5,000,000.

(b) The report is limited to surplus property.

(c) With respect to the property listed in classes (1) to (8), above, an exception is made to the limitations on the disposition of such property under which the Board may authorize any disposal agency to lease any such property for a term of not more than 5 years.

(d) The Board is authorized, as under the House bill, to provide for the disposal of any materials or equipment related to any plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it was designed.

(e) A provision is included from the House bill providing that the section is not to apply to any Government-owned equipment, structure or other property operated as an integral part of a privately owned plant and not capable of economical operation as a separate and independent unit:

#### DISPOSITION OF SURPLUS REAL PROPERTY

The House bill provided that in formulating regulations to govern the disposition of surplus property, the Administrator was to give effect, to the extent feasible, to the policy of disposing of land in the United States, acquired by the United States after July 2, 1940, which the Administrator deemed suitable for agricultural use, by affording to the person from whom such land was acquired a reasonable opportunity to purchase the land at a price not greater than that at which it was acquired by the United States, such acquisition price being

properly adjusted to reflect any increase or decrease in the value of the land resulting from any action of the United States. If the land was not disposed of to the former owner, and if the Administrator deemed that the land should be disposed of for agricultural uses, then it was the policy of the House bill to dispose of it in parcels not larger than suitable for the needs of a one-family unit.

The Senate amendment contained detailed provisions with respect to the disposition of surplus real property. It provided for establishing a central inventory in the General Land Office of all lands held by the United States and provided that the disposition of all surplus real property was to be either by the Secretary of Agriculture or the Secretary of the Interior, depending upon its classification. The former owner and his lineal heirs were given a right to acquire any surplus real property acquired by the Government after December 31, 1939, at a price equal to the price paid by the United States, adjusted for any increase or decrease in the market value of the land by reason of any improvements or changes made thereon, by reason of the use thereof by the United States, or at the market price—whichever was the lower. Similar privileges were extended to tenants. Veterans were given a preference in the acquisition of surplus real property after the former owner and tenant had been given an opportunity to exercise their preference. The Senate amendment also provided for the disposition of Moore Field, in Cleveland County, Okla., to the former owner. For the purpose of the section of the Senate amendment relating to the disposition of surplus real property, the public domain and lands withdrawn or reserved from the public domain were excluded.

Under the conference agreement (sec. 23), surplus real property which is not disposed of to Government agencies or to States, their political subdivisions or instrumentalities, is to be disposed of giving effect to section 23 of the conference agreement. Surplus real property is defined as real property which has been determined under section 11 to be surplus property, and real property is defined as excluding—

- (1) Land located in the District of Columbia;
- (2) War housing, industrial plants, factories, and similar structures and facilities; and
- (3) The public domain or land withdrawn or reserved from the public domain, except to the extent that the Board determines lands so withdrawn or reserved are not suitable for return to the public domain for disposition under the general land laws.

When an owning agency reports real property to the Board as surplus, the Board is directed to classify the property, and is given power to revise its classification from time to time. The disposition of the property is to be effected by the disposal agency designated by the Board under section 10 of the conference agreement. In the case of surplus real property which was acquired by the Government after December 31, 1939, the former owner, or in the event of his death, his wife or children, in that order, are given the right to purchase the property at a price not greater than that for which it was acquired by the United States, adjusted to reflect any increase or decrease in the value of the property resulting from action by the United States, or at the market price, whichever is lower. If a former



owner's property is unavailable or is classified as suitable for a purpose different from that for which it was used when acquired by the Government, then the former owner may be offered other surplus real property in the same area at a corresponding price.

If the former owner, or in the event of his death, his wife or children, in that order, do not exercise the privilege of repurchase of their property, then any tenant (who was a tenant at the time of acquisition by the Government) is given the right to purchase the property at the price for which it could have been purchased by the former owner.

If any surplus real property is not disposed of to the former owner or his tenant, the property, if classified as suitable for agricultural use, is to be subdivided into family-size units. If it is not classified as suitable for agricultural use, it is to be subdivided into appropriate units for disposition.

In the case of surplus real property classified as suitable for agricultural, residential, or small-business purposes, except as provided in the case of the former owner and the tenant, veterans are to be granted preference in the purchase of such property over nonveterans. In the case of the death of the veteran, his wife and children, in that order, succeed to his preference rights. A certificate by the disposal agency that the provisions of section 23 of the conference agreement relating to preferences have been complied with in the case of any property, and that no qualified applicant has made application to exercise his preference, operates to terminate all such preferences and has the effect of removing any cloud which might otherwise exist on the title of another purchaser.

Surplus real property which is classified as suitable for agricultural use which is not disposed of pursuant to a former owner or veteran preference is to be disposed of insofar as possible only to persons who expect to cultivate and operate it for a livelihood. The Department of Agriculture is authorized, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to these provisions.

The form of the deed or other instrument of transfer in the case of sales of real property is to be approved by the Attorney General. Specific authority is granted, with the approval of the Attorney General, to deliver to purchasers deeds containing general or special warranties of title.

#### AGRICULTURAL COMMODITIES

The House bill provided that surplus farm commodities should not be sold in the United States under the bill in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless the commodity were being disposed of pursuant to the bill for export at competitive world market prices. The Senate amendment contained a similar provision with the added limitation that such commodities could not be sold at prices less than the prevailing market prices, if such market prices were higher. The Senate amendment in addition authorized

the Commodity Credit Corporation to dispose of or cause to be disposed of for cash, for export only at competitive world prices, any farm commodity or product thereof without regard to restrictions imposed upon it by any law.

The conference agreement (sec. 21) follows the provisions of the Senate amendment with the following exceptions:

(1) In disposing of any farm commodity for export, the Commodity Credit Corporation is authorized to dispose of the commodity not only for cash but for its equivalent in goods or for adequately secured credit; and

(2) It is provided that no food or food products shall be sold or otherwise disposed of under these provisions for export if there is a shortage of such food or food product in the United States, or if such sale or other disposition may result in a shortage, or if such food or food product is needed to supply the normal demands of consumers in the United States.

The Senate amendment also contained a provision making the War Food Administrator solely responsible for the formulation of policies and the carrying out of programs with respect to the disposal of surplus agricultural commodities. The Senate amendment further provided that the Board could not exercise any of its powers with relation to disposal of surplus cotton or woolen goods without approval in writing of the War Food Administrator. There were no comparable provisions in the House bill.

The conference agreement (sec. 21) provides that, subject to the supervision of the Board, the War Food Administrator is to have sole responsibility for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities. Such policies are to be so formulated as to prevent such commodities and food from being dumped on the market in a disorderly manner and disrupting the prices for the agricultural commodity. The conference agreement also contains the limitations of the Senate amendment on the power of the Board with relation to the disposal of surplus cotton or woolen goods.

#### STOCK PILING

The Senate amendment directed that all Government-owned accumulations of strategic minerals and metals be transferred, when determined to be surplus, to the account of the Treasury Procurement Division and added to the stock pile authorized by the act of June 7, 1939, and when so added be subject to its provisions. The term "strategic minerals and metals" was defined as all minerals and metals included in either group A or group B on the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals and metals which the said Board determined should be added thereto. It included ores, concentrates, alloys, scrap, and partially and completed fabricated articles, of which the principal components by value consisted of such minerals and metals. Exceptions were made in the case of fabricated articles which the Army and Navy determined not to be suitable for their use in the form in which fabricated and which could be disposed of commercially at a value substantially in excess of the metal market



price of the component minerals and metals of the fabricated articles. It was further provided that transfers to the Treasury Procurement Division of the stock pile should be made without reimbursement or transfer of funds, subject to the exception that if the Reconstruction Finance Corporation or any of its subsidiaries was the owning agency the Secretary of the Treasury was to cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred. There were no stock-pile provisions of any kind in the House bill.

The conference agreement (sec. 22) provides that all Government-owned accumulations of strategic minerals and metals shall be transferred by the owning agency, when determined to be surplus pursuant to the act, to the account of the Treasury Procurement Division and be added to the stock pile authorized by the act of June 7, 1939, and be subject to its provisions. The provision (contained in the Senate amendment) that such transfer was to be made without reimbursement or transfer of funds is omitted from the conference agreement. Contractor inventories are to be transferred to the stock pile only when the owning agency has taken possession of and determined such inventories to be surplus. The term "strategic minerals and metals" is defined as meaning copper, lead, zinc, tin, magnesium, and a number of other named minerals and metals. The Army and Navy Munitions Board is given power to add to the list of named minerals and metals, aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board determines to be necessary for the stock pile authorized by the act of June 7, 1939.

The term also includes ores, concentrates, alloys, scrap, and partially and completed fabricated articles, of which the principal components by value consist of such minerals and metals but does not include such fabricated articles as the Army and Navy determines are not suitable for their use in the form in which fabricated and which may be disposed of commercially at a value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. In order to make the provisions relating to the transfer to the stock pile effective, it is also provided in section 14 (b) of the conference agreement that the owning agencies may not dispose of any property under section 14 (b) which, if declared surplus, would be subject to being added to the stock pile under section 22 of the conference agreement.

The conference agreement provides that pending a determination of the War Production Board that the supplies of strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency, subject to regulations prescribed by the Surplus Property Board, shall withhold from transfer to the stock pile an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of 6 months for purposes other than war production; and the owning agency may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price.

The conference agreement also provides that any Government-owned accumulation of strategic materials shall, at the request of the

War and Navy Departments, be transferred by the owning agency, when determined to be surplus, to the account of the Treasury Procurement Division and be added to the stock pile. For the purposes of this provision the term "strategic materials" is defined as meaning all materials except strategic minerals and metals, and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but does not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof.

Within 3 months following the enactment of the Act, the conference agreement provides that the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held on the stock pile. After 1 year from the submission of such recommendation, unless the Congress provides otherwise by law, the Surplus Property Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to the Act.

#### DISPOSITIONS OUTSIDE UNITED STATES

The conference agreement (sec. 32 (a)) retains the provision found in both the House bill and the Senate amendment, that the act is not to limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

The House bill provided that in the case of property not located in the 48 States or the District of Columbia, the Administrator might exempt such property from some or all of the provisions of the act whenever he deemed such provisions would obstruct the efficient and economic disposition of such property.

The Senate amendment had a similar provision but confined to property located outside the United States, its Territories and possessions.

The conference agreement (sec. 32 (b)) embodies the policy of the Senate amendment.

#### REIMPORTATION OF SURPLUS PROPERTY

The House bill provided that to the extent feasible and in the public interest the reimportation of surplus property sold for export should be prohibited.

The Senate amendment provided that surplus property sold for export or disposed of abroad could not be reimported, and directed the Secretary of the Treasury to prescribe necessary regulations.

The conference agreement (sec. 33) states that it is the policy of the act to prohibit, so far as feasible and necessary to carry out the objectives of the act, the importation of surplus property sold abroad or for export. The Board is to prescribe regulations to carry out this policy, and the importation of surplus property is prohibited to the extent specified in such regulations. The Secretary of the Treasury is directed to provide for the enforcement of such regulations.



The same section of the conference agreement also provides that surplus property sold abroad to members of the armed forces may be brought in, without regard to the above prohibition, by the original purchaser upon his certificate that it is brought in for his personal use.

#### INCREASE IN LOAN RATE ON COTTON

The conference agreement (sec. 37) retains the provision of the Senate amendment increasing from 92½ to 95 percent the loan rate on cotton in the case of crops harvested after 1943, but not in the case of crops planted after 1944. If a loan on the 1944 crop has been made before the enactment of this act the loan shall be increased to the amount which would have been loaned if this provision had been in force at the time of the loan.

#### EFFECT ON OTHER LAWS AUTHORIZING DISPOSAL OF PROPERTY

Both the House bill and the Senate amendment contain provisions to the effect that the authority conferred by the act was in addition to any authority conferred by any other law and that the act should not impair or affect any authority for the disposition of property under any other law. The conference agreement (sec. 34 (a)) contains similar provisions. As an example of its operation nothing in the act would impair or affect the provisions of Public Law 587, Sixty-eighth Congress, or sections 101 and 102, Public Law 346, Seventy-eighth Congress, authorizing the transfer of necessary lands, buildings, vessels, supplies, equipment, and material for affording adequate hospital and domiciliary care for veterans.

#### EXCLUSION OF PERMANENT MILITARY RESERVATIONS, POSTS, AND FORTS

The House bill provided that nothing therein was to impair or to affect so much of the Military Appropriation Act, 1945, as was contained in the last two provisos of the second paragraph under the heading "Corps of Engineers," which placed limitations on the disposition of real property acquired by the War Department prior to July 2, 1940.

The Senate amendment provided that any real property which is part of any permanent military reservation, post, or fort should be excluded from the provisions of the act and not be disposed of except upon authorization hereafter granted by law.

The conference agreement does not contain any provision distinguishing between the kinds of property which may be declared surplus and that which cannot, except in the case of the public domain and certain naval vessels, discussed above.

#### EXPIRATION DATE

The House bill provided for the expiration of the act at the end of 3 years following cessation of hostilities in the present war, as proclaimed by the President, or upon such date as might be fixed by concurrent resolution of the two Houses of Congress. The Senate amendment provided no expiration date.

The conference agreement (sec. 38) provides that the act shall expire at the end of 3 years following the cessation of hostilities, the date of such cessation to be the date specified by (1) proclamation of the President, or (2) a concurrent resolution of the two Houses of Congress, whichever specified date is the earlier.

CARTER MANASCO,  
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*Managers on the part of the House.*













OFFICE OF BUDGET AND FINANCE  
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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST OF THE DEPARTMENT OF AGRICULTURE  
(Issued September 18, 1944)

HOUSE

PROPERTY MANAGEMENT. On September 16, during adjournment of the House, the report on H.R. 5125, the surplus-property bill, was submitted. Following is a summary of the conference-committee action:

Agricultural commodities. The House bill provided that surplus farm commodities should not be sold in the United States under the bill in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless the commodity were being disposed of pursuant to the bill for export at competitive world market prices. The Senate amendment contained a similar provision with the added limitation that such commodities could not be sold at prices less than the prevailing market prices, if such market prices were higher. The Senate amendment in addition authorized the Commodity Credit Corporation to dispose of or cause to be disposed of for cash, for export only at competitive world prices, any farm commodity or product thereof without regard to restrictions imposed upon it by any law.

The conference agreement follows the provisions of the Senate amendment with the following exceptions: (1) In disposing of any farm commodity for export, the Commodity Credit Corporation is authorized to dispose of the commodity not only for cash but for its equivalent in goods or for adequately secured credit; and (2) It is provided that no food or food products shall be sold or otherwise disposed of under these provisions for export if there is a shortage of such food or food product in the United States, or if such sale or other disposition may result in a shortage, or if such food or food product is needed to supply the normal demands of consumers in the United States.

The Senate amendment also contained a provision making the War Food Administrator solely responsible for the formulation of policies and the carrying out of programs with respect to the disposal of surplus agricultural commodities. The Senate amendment further provided that the Board could not exercise any of its powers with relation to disposal of surplus cotton or woolen goods without approval in writing of the War Food Administrator. There were no comparable provisions in House bill.

The conference agreement provides that, subject to the supervision of the Board, the War Food Administration is to have sole responsibility for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, but that disposition shall be by the agency or agencies designated by the Board. Such policies are to be so formulated as to prevent such commodities and food from being dumped on the market in a disorderly manner and disrupting the prices for the agricultural commodity. The conference agreement also contains the limitations of the Senate amendment on the power of the Board with relation to the disposal of surplus cotton or woolen goods.

Disposition of surplus real property. Surplus real property which is not disposed of to Government agencies or to States, their political subdivisions or instrumentalities, is to be disposed of as follows: When an owning agency reports real property to the Board as surplus, the Board is directed to classify the property and to revise the classification from time to time. The disposition of the property is to be effected by the disposal agency designated by the Board. In the case of real property acquired by the Government after Dec. 31, 1939, the former owner or, in the



event of his death, his wife or children, are given the right to purchase the property at not more than the price paid for it by the Government, adjusted to reflect any increase or decrease in value resulting from Government action, or at the market price, whichever is lower. If a former owner's property is unavailable or is classified as suitable for a purpose different from that for which it was used when acquired by the Government, the former owner may be offered other surplus real property in the same area at a corresponding price. If the former owner or his successor does not exercise the privilege of repurchase, any tenant is given the right. If any agricultural property is not disposed of in this manner, it is to be subdivided into family-size units. In the case of surplus real property classified as suitable for agricultural, residential, or small-business purposes, except as provided above, veterans, or in case of their death, their wives or children, are to be granted preference in the purchase of such property over nonveterans. Surplus agricultural land not disposed of in these ways shall be disposed of, insofar as possible, only to persons who expect to cultivate and operate it for a livelihood. Authorizes this Department, under the Bankhead-Jones Farm Tenant Act, to extend financial assistance to persons eligible for loans under that Act and the Servicemen's Readjustment Act, in connection with disposal of surplus agricultural lands.

Administration. The conference agreement creates a Surplus Property Board consisting of 3 members, to be appointed by the President and confirmed by the Senate, at \$12,000 each, for terms of 2 years, with one member as Chairman. The Board is given general supervision and direction over the care, handling, and disposition of surplus property and the transfer of surplus property between Government agencies. The conference agreement contains no provision for an advisory council but requires the Board to advise and consult with other interested Government agencies affected by the disposition of surplus property; and no provision is made for industry advisory committees.

Declaration of surplus property. Property can be declared surplus only by the owning agency, and the Board can only bring to Congress' attention any case in which it appears that an owning agency had property which was surplus but had not been reported by that agency.

Utilization by other Federal agencies. Provides that surplus property of one Federal agency shall first be made available to other Federal agencies prior to disposition, and that transfers between Government agencies are to be made at fair value, unless transfer without payment is otherwise provided by law.

Donations and price preferences. Under the House bill only property which had no commercial value could be given away and then only to public and non-profit educational and charitable institutions. The Senate amendment provided that surplus property could be donated for use of schools, that property such as medical supplies could be donated to medical institutions, and that surplus property could be sold at discounts up to 50% to such organizations as rural-electrification cooperatives. The conference agreement retains the House provision regarding donation of property having no commercial value, but does not authorize donation in any other case. It also provides that the Board shall prescribe regulations for disposition of surplus property to States, their subdivisions, and other non-profit institutions, to the extent feasible.

Price. The conferees' bill provides that, in general, it is the objective to obtain as nearly as possible the fair value of surplus property.

Disposition to veterans. Directs the Board to prescribe regulations to aid veterans to establish and maintain their own small business, professional, or agricultural

enterprises by affording them suitable preferences to the extent feasible. (See also "disposition of surplus real property.")

Disposition in rural areas. The Senate amendment required the Board to prescribe regulations in cooperation with the War Food Administrator for the sale of surplus property in such quantities in rural localities and in such manner as would assure farmers and farmers' cooperatives equal opportunity with others to purchase surplus property; and required the Board to develop a program in cooperation with WFA whereby a reasonable portion of surplus supplies would be made available for sale in rural areas to farmers and farmers' associations, in cases where there is a shortage of trucks, machinery, and equipment. The conference agreement contains similar provisions except that the truck program is to be developed by the Board in cooperation with the AAA rather than WFA.

Small business. Requires the Board to prevent discrimination against small business, to give preference to small purchases, to cooperate with Smaller War Plants Corporation, etc.

Disposition of plants. The House bill required reports to Congress before disposition of large plants. The Senate provision had a similar objective. The conference agreement contains such a provision with certain modifications.

Stock piling. Provides that pending a determination of the War Production Board that the supplies of strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency, subject to regulations prescribed by the Surplus Property Board, shall withhold from transfer to the stock pile an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of 6 months for purposes other than war production; and the owning agency may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price. The conference agreement also provides that any Government-owned accumulation of strategic materials shall, at the request of the War and Navy Departments, be transferred by the owning agency, when determined to be surplus, to the account of the Treasury Procurement Division and be added to the stock pile.

Dispositions outside U. S. Provides that in general, the bill is not to limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

Reimportation of surplus property. States that it is the policy of the bill to prohibit, so far as feasible and necessary to carry out the bill's objectives, the importation of surplus property sold abroad or for export.

Cotton-loan rate. Retains the Senate provision increasing from 92 1/2 percent to 95 percent the loan rate on cotton in the case of crops harvested after 1943, but not in the case of crops planted after 1944, with a provision that if a loan on the 1944 crop has been made before enactment of this bill, it shall be increased by the appropriate amount.

Expiration date. The bill would expire at the end of 3 years following date of cessation of hostilities as determined by the President or Congress, whichever date is earlier.





Kleberg	Murray, Tenn.	Sumner, Ill.
Knutson	Newsome	Sumners, Tex.
Landis	O'Konski	Sundstrom
Lanham	Pace	Taber
LeFevre	Patton	Talle
McConnell	Peterson, Ga.	Tarver
McCowen	Plumley	Thomas, N. J.
McGehee	Price	Tibbott
McGregor	Rankin	Troutman
McMillan, S. C.	Reed, Ill.	Vincent, Ky.
McMillen, Ill.	Reed, N. Y.	Vorys, Ohio
McWilliams	Rees, Kans.	Vursell
Maas	Rivers	Ward
Manasco	Rockwell	Welchel, Ohio
Mansfield, Tex.	Rodgers, Pa.	West
Martin, Iowa	Scrivner	Welchel, Ga.
Mason	Short	Whitten
May	Simpson, Ill.	Whittington
Marrow	Simpson, Pa.	Wigglesworth
Michener	Smith, Ohio	Wilson
Miller, Nebr.	Sparkman	Winstead
Miller, Pa.	Springer	Winter
Mills	Starnes, Ala.	Wolcott
Monkiewicz	Stewart	Woodruff, Mich.
Morrison, N. C.	Stigler	Zimmerman

## NAYS—156

Allen, La.	Harless, Ariz.	Outland
Anderson, Calif.	Hart	Peterson, Fla.
Anderson, N. Mex.	Heffernan	Pfeiffer
Angell	Herter	Philbin
Baldwin, N. Y.	Hinshaw	Pittenger
Beall	Hoch	Powers
Beckworth	Hull	Pracht
Bender	Jeffrey	C. Frederick
Bloom	Johnson, Ind.	Cratt
Bradley, Pa.	Johnson	Joseph M.
Buckley	Lyndon B.	Priest
Burch, Va.	Kearney	Rabaut
Burchill, N. Y.	Kee	Ramey
Burdick	Keefe	Ramspeck
Byrne	Kefauver	Randolph
Canfield	Kelley	Robertson
Cannon, Mo.	Keogh	Robinson, Utah
Capozzoli	Kilday	Rohrbough
Celler	King	Rolph
Cochran	Kirwan	Rooney
Coffee	LaFollette	Rowan
Colmer	Lane	Rowe
Crosser	Larcade	Sadowski
Cunningham	Lea	Sasser
Curley	Lesinski	Satterfield
D'Alesandro	Lewis	Scanlon
Davis	Luce	Schiffer
Dawson	Ludlow	Scott
Day	Lynch	Shaffer
Delaney	McCormack	Sheridan
Dilweg	McMurray	Smith, Maine
Dingell	Madden	Smith, Va.
Eaton	Magnuson	Smith, Wis.
Eberhart	Mahon	Snyder
Ellison, Md.	Maloney	Somers, N. Y.
Engel, Mich.	Mansfield	Spence
Fay	Mont	Stanley
Feighan	Marcantonio	Stearns, N. H.
Fenton	Martin, Mass.	Talbot
Fernandez	Merritt	Taylor
Fish	Miller, Conn.	Thomas, Tex.
Flannagan	Monroney	Thomason
Fogarty	Mott	Torrens
Folger	Mruk	Towe
Forand	Murdock	Voorhis, Calif.
Gerlach	Murphy	Walter
Gillespie	Murray, Wis.	Wene
Gordon	Myers	White
Gorski	Norman	Wickersham
Green	Norton	Wolfe, Pa.
Hale	O'Brien, Ill.	Wolverton, N. J.
Hall	O'Brien, Mich.	Woodrum, Va.
Edwin Arthur	O'Hara	Worley
	O'Toole	Wright

## NOT VOTING—101

Andresen, August H.	Dewey	Hartley
Barry	Dickstein	Hays
Bates, Ky.	Dies	Hendricks
Bell	Douglas	Hoever
Bennett, Mich.	Ellsworth	Hollfield
Bennett, Mo.	Elmer	Holmes, Wash.
Blackney	Engle, Calif.	Horan
Bolton	Fisher	Izac
Boykin	Fitzpatrick	Jackson
Bradley, Mich.	Ford	Johnson, Ward
Brehm	Fulbright	Judd
Brooks	Furlong	Kennedy
Burgin	Gale	Klein
Busbey	Gallagher	Kunkel
Carrier	Gibson	Lambertson
Carter	Gifford	LeCompte
Case	Gilchrist	Lemke
Clark	Granger	McCord
Clason	Hagen	McKenzie
Courtney	Halleck	McLean
Curtis	Harris, Va.	Miller, Mo.
		Morrison, La.

Mundt	Rizley	Stevenson
Norrell	Robison, Ky.	Stockman
O'Brien, N. Y.	Rogers, Mass.	Sullivan
O'Connor	Russell	Tolan
O'Neal	Sabath	Treadway
Patman	Sauthoff	Vinson, Ga.
Phillips	Schwabe	Wadsworth
Ploeser	Sheppard	Wasielewski
Poage	Sikes	Weaver
Poulson	Slaughter	Weiss
Reece, Tenn.	Smith, W. Va.	Welch
Richards	Stefan	Willey

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Morrison of Louisiana against.

Mr. Hoeven for, with Mr. Poulson against.

Mr. Miller of Missouri for, with Mr. Tolan against.

Mr. Wadsworth for, with Mr. Lemke against.

Mr. Elmer for, with Mr. Sabath against.

Mr. Halleck for, with Mr. Gallagher against.

Mr. Schwabe for, with Mr. Hollfield against.

Mr. Dewey for, with Mr. Izac against.

Mr. Stevenson for, with Mr. Dickstein against.

Mr. Norrell for, with Mr. Weiss against.

Mr. Bennett of Missouri for, with Mr. Ford against.

Mr. Bradley of Michigan for, with Mr. Granger against.

Mr. Fulbright for, with Mr. Sauthoff against.

Mr. Curtis for, with Mr. O'Connor against.

Mr. Courtney for, with Mr. Wasielewski against.

Until further notice:

Mr. Richards with Mr. Stefan.

Mr. Sheppard with Mr. Douglas.

Mr. Weaver with Mr. Brehm.

Mr. Slaughter with Mr. Willey.

Mr. Hendricks with Mr. Horan.

Mr. Engle of California with Mr. Phillips.

Mr. McCord with Mr. Holmes of Washington.

Mr. Smith of West Virginia with Mr. Stockman.

Mr. Bell with Mr. O'Brien of New York.

Mr. O'Neal with Mr. Carrier.

Mr. Sullivan with Mr. LeCompte.

Mr. Poage with Mr. Kunkel.

Mr. Sikes with Mr. Judd.

Mr. Gibson with Mr. Ward Johnson.

Mr. McKenzie with Mr. Gifford.

Mr. Fitzpatrick with Mr. Ellsworth.

Mr. Clark with Mr. Reece of Tennessee.

Mr. Fisher with Mr. Mundt.

Mr. Hays with Mr. Robison of Kentucky.

Mr. Burgin with Mr. Welch.

Mr. Elliott with Mr. Rizley.

Mr. Boykin with Mr. Hartley.

Mr. Russell with Mr. Gale.

Mr. Bates of Kentucky with Mr. Clason.

Mr. Jackson with Mr. Blackney.

Mr. Brooks with Mr. Busbey.

Mr. Vinson of Georgia with Mrs. Bolton.

Mr. WOODRUM of Virginia changed his vote from yea to nay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the war mobilization and reconversion bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## SURPLUS PROPERTY DISPOSAL

The SPEAKER. The Chair recognizes the gentleman from Alabama.

Mr. MANASCO. Mr. Speaker, I call up the conference report on the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The Clerk read the title of the bill.

The conference report reads as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Surplus Property Act of 1944.'"

## OBJECTIVES

"Sec. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

"(a) to assure the most effective use of such property for war purposes and the common defense;

"(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

"(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

"(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

"(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

"(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

"(g) to encourage and foster post-war employment opportunities;

"(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

"(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

"(j) to avoid dislocations of the domestic economy and of international economic relations;

"(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

"(l) to effect broad and equitable distribution of surplus property;

"(m) to achieve the prompt and full utilization of surplus property at fair prices to



the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

"(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

"(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

"(p) to foster the development of new independent enterprise;

"(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

"(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

"(s) to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

"(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

#### "DEFINITIONS

"Sec. 3. As used in this Act—

"(a) The term 'Government agency' means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

"(b) The term 'owning agency', in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property, otherwise than solely as a disposal agency.

"(c) The term 'disposal agency' means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

"(d) The term 'property' means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'surplus property' means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

"(f) The term 'contractor inventory' means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

"(g) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of

property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

"(h) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(i) The term 'State' includes the several States, Territories, and possessions of the United States, and the District of Columbia.

"(j) The term 'tax-supported institution' means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

"(k) The term 'veteran' means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

#### "DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

"Sec. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

#### "SURPLUS PROPERTY BOARD

"Sec. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the 'Board'), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.

"(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

#### "DUTIES AND AUTHORITY OF BOARD

"Sec. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

#### "COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

"Sec. 7. The Board shall advise and consult with other interested Government agencies

with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

#### "DELEGATION OF AUTHORITY

"Sec. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency, by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

#### "REGULATIONS

"Sec. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

"(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

"(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

"(d) Regulations prescribed under this Act shall be published in the Federal Register.

#### "DESIGNATION OF DISPOSAL AGENCIES

"Sec. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

"(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act of 1936, as amended, and other laws authorizing the sale of such vessels.

#### "DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

"Sec. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

"(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

"(c) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the



agency deems consistent with national security.

"(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.

"(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

"(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

"(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

#### "UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

"Sec. 12. (a) It shall be the duty of the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act.

"(b) It shall be the responsibility of all Government agencies, in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not so doing.

"(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Board, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### "DISPOSAL TO LOCAL GOVERNMENTS AND NON-PROFIT INSTITUTIONS

"Sec. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

"(i) (A) Surplus property that is appropriate for school, classroom, or other edu-

cational use may be sold or leased to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(2) Surplus property shall be disposed of so as to afford public and governmental institutions, nonprofit or tax-supported educational institutions, charitable and eleemosynary institutions, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

"(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State of local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until thirty days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such thirty-day period) and an attempt has been made within such thirty days to dispose of such property otherwise than by destruction.

"(c) No airport and no harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Board, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.

"(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this Act is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than one year, or otherwise disposed of, except as provided in section 12 or this section, unless specifically authorized by Act of Congress.

"(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off

from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

"(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this Act except transfers under section 12.

#### "DISPOSITION BY OWNING AGENCY

"Sec. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

"(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

"(1) any property which is damaged or worn beyond economical repair;

"(2) any waste, salvage, scrap, or other similar items;

"(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; "which does not consist of strategic minerals and metals, as defined in section 22.

"(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### "METHODS OF DISPOSITION

"Sec. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: *Provided, however*, That in the case of raw materials, consumer goods, and small tools, hardware and non-assembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

"(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

#### "DISPOSITIONS TO VETERANS

"Sec. 16. The Board shall prescribe regulations to effectuate the objectives of this Act



to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this Act in the acquisition of the types of surplus property useful in such enterprises.

#### "DISPOSITIONS IN RURAL AREAS

"SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

#### "SMALL BUSINESS

"SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

"(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.

"(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.

"(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.

"(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale, subject to regulations of the Board, to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it. The provisions of subsections (a) and (c) of section 12 shall be applicable to purchases made by the Smaller War Plants Corporation under this subsection.

"(f) The Smaller War Plants Corporation is hereby authorized for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the

disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

#### "DISPOSAL OF PLANTS

"SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

"(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property;

"(B) Outlining the economic problems that may be created by disposition of the property;

"(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

"(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

"(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.

"(d) The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

"(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

#### "APPLICABILITY OF ANTITRUST LAWS

"SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving

such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term 'antitrust laws' includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

#### "DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

"SEC. 21. (a) Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

"(b) The Board shall not exercise any of its powers under this act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

"(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: *Provided,* That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

#### "STOCK PILING

"SEC. 22. (a) All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions: *Provided,* That contractor inventory shall be so transferred only when the owning agency has taken possession of and determined such inventory to be surplus. The minerals and metals may be transferred in



any form in which they are held, but the owning agency or the Treasury Procurement Division is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms best suited for storage and use for the common defense. As used in this section the phrase 'strategic minerals and metals' means copper, lead, zinc, tin, magnesium, manganese, chromite, nickel, molybdenum, tungsten, mercury, mica, quartz crystals, industrial diamonds, cadmium, fluorspar, cobalt, tantalite, antimony, vanadium, platinum, beryl, graphite (and to which may be added aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board may determine to be necessary for the stock pile authorized by the Act of June 7, 1939), and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

"(b) Pending a determination by the War Production Board that the supplies of the respective strategic minerals and metals available to the industry are sufficient to meet the current requirements of industry, the owning agency subject to the regulations prescribed by the Surplus Property Board shall withhold from transfer under this section an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of six months for purposes other than war production; and may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price of the respective minerals and metals.

"(c) Any Government-owned accumulations of strategic materials shall at the request of the War and Navy Departments be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The materials may be transferred in any form in which they are held and they shall thereafter be put into forms best suited for storage and use for the common defense. The term 'strategic materials' as used in this subsection means all materials except strategic minerals and metals as defined in subsection (a) of this section and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but shall not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof. The Army and Navy Munitions Board is authorized to direct the removal from the list of any of the materials as defined in this subsection, in which event they shall be disposed of under the provisions of this Act.

"(d) Within three months following the enactment of this Act the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held in the stock pile authorized by the Act of June 7, 1939. After one year from the submission of such recommendations, unless the Congress provides otherwise

by law, the Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to this Act.

#### "DISPOSAL OF SURPLUS REAL PROPERTY

"SEC. 23. (a) As used in this section—

"(1) The term 'real property' means property consisting of land, together with any fixtures and improvements thereon, located outside of the District of Columbia, but does not include war housing, industrial plants, factories, or similar structures and facilities, or the sites thereof, or land which the Board determines is essential to the use of any of the foregoing; and

"(2) The term 'surplus real property' means real property which has been determined under section 11 to be surplus property.

"(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

"(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time.

"(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of ninety days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.

"(B) In the case of real property acquired by any Government agency after December 31, 1939, which either—

"(i) has not been determined under section 11 to be surplus property, or

"(ii) has been disposed of under section 12 or 13, or

"(iii) is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A),

"the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.

"(2) In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.

"(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

"(4) The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privileges conferred by this subsection.

"(e) If any surplus real property is not disposed of under subsection (d)—

"(1) such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and

"(2) such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.

"(f) (1) Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.

"(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board shall prescribe the time within which application shall be made and shall give such notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

"(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

"(h) A certificate by the disposal agency that the provisions of subsections (d), (f),



and (g) have been complied with in the case of any property and that no qualified applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

"(i) In the case of surplus real property which is classified as suitable for agricultural use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (e) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

"(j) In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

#### "REPORTS TO CONGRESS

"SEC. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

#### "TITLE OF PURCHASER

"SEC. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.

#### "CIVIL REMEDIES AND PENALTIES

"SEC. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

"(b) Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agree-

ment, combination, or conspiracy to do any of the foregoing—

"(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

"(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

"(3) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

"(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall whosoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

"(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

#### "PRACTICE BY FORMER EMPLOYEES

"SEC. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.

#### "STATUTE OF LIMITATIONS

"SEC. 28. The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

#### "MISCELLANEOUS PROVISIONS

"SEC. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.

#### "DISPOSITION OF PROCEEDS

"SEC. 30. (a) All proceeds from any transfer or disposition of property under this Act shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

"(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

"(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

"(e) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.

#### "USE OF APPROPRIATED FUNDS

"SEC. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

"(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

"(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

#### "DISPOSITIONS OUTSIDE UNITED STATES

"SEC. 32 (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.



"(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, its Territories and possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

#### "RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

"SEC. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the importation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

"(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

#### "SAVING PROVISIONS

"SEC. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

"(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849. Seventy-sixth Congress, as amended, respecting war housing and facilities; the Act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

"(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

#### "TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

"SEC. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

#### "TERMINATION INVENTORIES

"SEC. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

"(b) In advance of termination, to the maximum extent practicable—

"(1) each contracting agency shall advise its war contractors of the classes of termination inventory the contracting agency will wish to retain for military purposes; and

"(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

"(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

"(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

"(e) For the purposes of this section, the terms 'contracting agency', 'termination inventory', and 'war contractor' shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

#### "INCREASE ON LOAN RATE ON COTTON

"SEC. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out 'at the rate in the case of cotton of 92½ per centum' and inserting in lieu thereof 'at the rate in the case of cotton of 95 per centum'.

"(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

#### "EXPIRATION DATE

"SEC. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term 'date of the cessation of hostilities in the present war' means the date proclaimed by the President as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as of the date such cessation, whichever is the earlier.

#### "SEPARABILITY OF PROVISIONS

"SEC. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

And the Senate agree to the same.

Amend the title to read as follows: "An Act to aid the reconversion from a war to a peace economy through the distribution of

Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes".

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILL M. WHITTINGTON,  
CHARLES L. GIFFORD,  
By C. M.,  
GEORGE H. BENDER,  
By C. M.,

*Managers on the part of the House.*

ELBERT D. THOMAS,  
EDWIN C. JOHNSON,  
LISTER HILL,  
ALBERT B. CHANDLER,  
By E. C. J.,  
WARREN R. AUSTIN,  
CHAN GURNEY,  
CHAPMAN REVERCOMB,

*Managers on the part of the Senate.*

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement of the managers as follows:

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

#### ADMINISTRATION

The House bill provided for the administration of the disposition of surplus property by a single Administrator who was to be appointed by the President, by and with the advice of the Senate, and to receive compensation of \$12,000 per annum.

The Senate amendment provided for administration by a board of eight members to be appointed by the President, by and with the advice and consent of the Senate, and to receive compensation at the rate of \$10,000 per annum. In the selection of members of the Board, the President was directed to give due consideration to the various geographic areas and economic interests of the Nation. The Chairman of the Board was to be elected by the Board itself. In case of a tie vote, the Director of War Mobilization was to have the deciding vote. The Board was authorized to appoint an Administrative Director at a salary of \$10,000 per annum and was authorized to delegate any of its "administrative" authority to the Administrative Director.

Both the House bill and the Senate amendment provided for an advisory council consisting of certain named Government officials with which the Administrator (under the House bill) and the Board (under the Senate amendment) were to advise and consult.

Both under the House bill and under the Senate amendment, provision was made for the organizing of industry advisory committees to furnish advice with respect to the disposition of various classes of surplus property.

The conference agreement (sec. 5) creates a Surplus Property Board consisting of three members, to be appointed by the President, by and with the advice and consent of the Senate, and to receive compensation at the rate of \$12,000 per annum. The term of office of the members is 2 years. The President is to designate one of the members as Chairman of the Board. The Board is authorized to employ such personnel as may be necessary



to carry out its functions. Special assistants, certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, are authorized to be appointed by the Board without regard to the civil-service laws and the Classification Act of 1923. The Board is given (sec. 6) general supervision and direction over the care and handling and disposition of surplus property and the transfer of surplus property between Government agencies.

The conference agreement does not contain any provision for an advisory council of named Government officials, but does (sec. 7) require the Board to advise and consult with other interested Government agencies affected by the disposition of surplus property. Similarly, no provision is made in the conference agreement directing the organization of industry advisory committees.

#### DECLARATION OF SURPLUS PROPERTY

Both under the House bill and the Senate amendment, property could be declared surplus only by the owning agency, and the Administrator (under the House bill) and the Board (under the Senate amendment) were given power only to bring to the attention of Congress any case in which it appeared that an owning agency had property in its control which was, in fact, surplus to its needs and responsibility, but which had not been reported as such by the owning agency. The conference agreement (sec. 11) contains provisions similar to both the House bill and the Senate amendment in this respect.

#### UTILIZATION BY OTHER FEDERAL AGENCIES

Both the House bill and the Senate amendment had the effect of providing that surplus property of one Federal agency should first be made available to other Federal agencies for their use prior to its disposition. Under the House bill it was specifically provided that transfers between Government agencies were to be made at the fair value of the property as fixed by the disposal agency, under regulations of the administrative authority, unless transfer without reimbursement or transfer of funds was otherwise authorized by law. There was no comparable provision in the Senate amendment.

The conference agreement (sec. 12) provides that transfers of surplus property between Government agencies are to be given priority over all other disposals provided for in the act; but the provision of the House bill requiring reimbursement or transfer of funds is retained. Thus no Government agency can acquire surplus property of any other Government agency unless it has appropriations available to pay for the property.

#### DONATIONS AND PRICE PREFERENCES

Under the House bill only property which had no commercial value could be given away and then only to public and nonprofit educational and charitable organizations. Under the House bill it was provided that the following were, to the extent feasible and to the public interest, to be afforded an opportunity to fulfill their legitimate needs: Public, governmental, educational, charitable, and eleemosynary institutions, States, Territories, their political subdivisions, insular possessions, and the District of Columbia, volunteer fire companies, and cooperative organizations.

Under the Senate amendment it was provided that surplus property that was appropriate for school, classroom, or other educational use could be donated to the States and their political subdivisions and tax-supported educational institutions, and also to certain nonprofit educational institutions. Similarly, surplus medical supplies and other equipment and property suitable for use in the protection of the public health could be donated to the States and their political subdivisions and to tax-supported medical in-

stitutions, as well as certain nonprofit hospitals and other similar institutions. It was also provided in the Senate amendment that any surplus property could be disposed of to States, political subdivisions thereof, tax-supported institutions, people's utility districts and rural electrification cooperatives, and certain specified nonprofit institutions at discounts up to 50 percent.

The conference agreement (sec. 13) retains the provision of the House bill with respect to the donation of property having no commercial value. This is the only case in which donation is authorized. The conference agreement further provides that the Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to nonprofit institutions, and shall determine on the basis of need what transfers are to be made. In formulating such regulations the Board is to be guided by the objectives of the act and to give effect to the following policies to the extent feasible and in the public interest:

(1) Surplus property appropriate for educational use may be sold or leased to the States and their political subdivisions and to tax-supported educational institutions, as well as to certain other nonprofit educational institutions.

(2) Surplus medical supplies, etc., may be sold or leased to States and their political subdivisions, and to tax-supported medical institutions, as well as to hospitals and other similar nonprofit institutions.

(3) In fixing the sale or lease value of property to be disposed of in each of the above cases, the Board is directed to take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivisions, instrumentality, or institution.

(4) Surplus property is to be disposed of so as to afford public and governmental institutions, nonprofit or tax-supported educational institutions, charitable institutions, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

The conference agreement (sec. 13 (c)) provides that no airport and no harbor or port terminal is to be disposed of until it has been first offered for sale or lease to the State, political subdivision, and any municipality in which it is situated, and to all municipalities in the vicinity. It is also provided (sec. 13 (d)) that no power transmission line shall be sold, leased for more than 1 year, or otherwise disposed of, except to another Federal agency, or to a State or political subdivision or instrumentality thereof, unless specifically authorized by an act of Congress if any State or political subdivision thereof, or any State or Government agency or instrumentality certifies that it is needful for or adaptable to requirements of a public or cooperative power project.

#### PRICE

The conference agreement (sec. 2 (t)) provides that it is the objective to obtain, except as otherwise provided in the act, as nearly as possible the fair value of surplus property upon its disposition. What constitutes a fair value must, of course, be determined with reference to the character of the disposition (such as wholesale, as contemplated by the objective to utilize commercial channels of distribution), as well as all other appropriate factors.

The only exceptions in the conference agreement to the fair-value objective are—

(1) a provision (sec. 13 (e)) authorizing States and their political subdivisions to repurchase original rights-of-way on which highways or streets were established at a price not exceeding that paid therefor by the Government, and

(2) a provision (sec. 23 (d)) authorizing the former owner of real property (and his tenant) to reacquire such property at the price paid by the Government, adjusted for any increase or decrease in the value of the property by reason of action by the United States.

The provision (sec. 13 (a) (1) (C)) authorizing the Board to take into consideration any benefit which has accrued or may accrue to the United States from the use of educational property and surplus medical supplies, etc., by States, political subdivisions, instrumentalities, and institutions, described under the heading "Donations and Price Preferences," simply has the effect of treating the benefit so accruing to the United States as a medium of payment.

#### MERCHANT VESSELS AND NAVAL VESSELS

Both the House bill and the Senate amendment provided that in the case of merchant vessels and vessels capable of conversion to merchant use, the United States Maritime Commission should be the sole disposal agency of such vessels, and that such vessels should be disposed of only in accordance with the Merchant Marine Act, 1936, and other law authorizing the sale of such vessels. The conference agreement (sec. 10 (b)) also contains this provision.

The House bill provided that no combat naval vessels, stations, or establishments should be disposed of except in accordance with existing law specifically authorizing their disposition, and in all cases where such disposition had not been so specifically authorized that no disposition of any combat naval vessel, station, or establishment should be made unless Congress by law so authorized. It was further provided in the House bill that the Navy Department should be the sole disposal agency for such combat vessels, stations, and establishments. The conference agreement (sec. 2 (d)) excludes from the definition of the term "property" naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines. This has the effect of excluding vessels of these categories entirely from the operation of any of the provisions of the act, and their disposition, if any is to take place, must take place under provisions of existing law and not under the provisions of the act. No special provision is made in the conference agreement with respect to naval stations or establishments, and the provision in the House bill making the Navy Department a disposal agency is omitted from the conference agreement.

#### DISPOSITIONS TO VETERANS

Under the House bill it was provided that the Administrator in formulating regulations to govern the disposition of surplus property should be guided by the objectives and should give effect to a number of specified policies, among which was the policy to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises and to afford those serving in the Army, Navy, Marine Corps, and all war veterans an opportunity to purchase single units or small lots of surplus property at the same price for which such property has been sold or offered for sale in large lots. Under the Senate amendment it was made one of the functions and duties of the Board to effectuate the objectives of the act to aid honorably discharged veterans to establish and maintain their own small business, professional, or agricultural enterprise by affording such veterans suitable preferences in the acquisition of types of property useful in such enterprises.

The conference agreement (sec. 16) directs the Board to prescribe regulations to effectuate the objectives of the act to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises by affording them suitable preferences to the extent feasible in the acquisition of



the types of property useful in such enterprises.

The preference to veterans in the purchase of real property is discussed under the heading "Disposition of surplus real property."

#### DISPOSITIONS IN RURAL AREAS

The Senate amendment made it one of the functions and duties of the Board to devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as would assure farmers and farmer's cooperative associations equal opportunity with others to purchase surplus property. It was further provided that in cases where a shortage of trucks, machinery, and equipment impairs farm production that the Board develop a program in cooperation with the War Food Administrator whereby a reasonable portion of the surplus supplies would be made available for sale in rural areas to farmers and farmer's associations. There was no similar provision in the House bill.

The conference agreement (sec. 17) contains provisions similar to those of the Senate amendment in this respect, except that the truck program is to be developed by the Board in cooperation with the Agricultural Adjustment Agency rather than with the War Food Administrator.

#### SMALL BUSINESS

The House bill directed the Administrator to provide for the disposal of all surplus property in the smallest practicable lots consistent with the usual and customary commercial practice and provided that so long as an opportunity existed for the disposal of property to prospective purchasers of smaller lots preference was to be given to such purchasers over prospective purchasers of larger amounts. It was also provided in the House bill that in formulating regulations to govern disposition of surplus property the Administrator was to give effect, so far as feasible, to the policy affording business concerns, both small and large, opportunities to purchase surplus property on equal terms and to provide for uniform and wide public notice concerning surplus property available for disposition and providing for adequate time between the notice and disposition so that all interested persons should have a fair opportunity to acquire, and to utilize commercial channels of distribution.

The conference agreement (sec. 18), which follows closely the provisions of the Senate amendment, contains the following provisions relating to small business:

(1) It is made the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposition of surplus property.

(2) The Board is to issue regulations determining, or providing for the determination, as to all surplus property in the hands of each disposal agency, the size of lots and the areas in which the various classes of such property should be offered consistently with the usual and customary commercial practices. The available supply of each class in each area is to be so disposed of as to give to prospective purchasers within such area of one or more lots reasonable opportunity to acquire the desired amount in preference to prospective purchasers of a larger number of lots.

(3) The Smaller War Plants Corporation is given the responsibility of cooperating with the Board and with the owning and disposal agencies and bringing to the attention of the agencies and the Board the needs and requirements of small business, and to consult with small business to obtain full information concerning their needs for surplus property.

(4) The Smaller War Plants Corporation is also given the power to purchase surplus property for resale to small business, subject to regulations of the Board, when in the judgment of the Corporation such disposition is required to preserve and strengthen the competitive position of small business. Such purchase by the Smaller War Plants Corporation is to be at the fair value of the property, as in the case of purchase by other Government agencies. The Smaller War Plants Corporation is given power to make or guarantee loans to small business in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property and in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

#### DISPOSITION OF PLANTS

The House bill prohibited the disposition of any surplus Government-owned plant for the production of synthetic rubber or aluminum or any pipe line for the transportation of oil, which cost the Government \$5,000,000 or more, until after 6 months from the submission to Congress of a report with respect thereto. If within that time Congress did not provide otherwise by law, disposition was authorized in accordance with a plan or program proposed in such report. It was also provided in the House bill that no Government agency could dispose of any surplus plant of any character which cost the Government \$1,000,000 or more without the approval of a majority of the members of the Advisory Board, provided for in the bill, which consisted of certain named Government officials.

The Senate amendment directed the Board to prepare and submit to Congress within 3 months after the enactment of the act a report of each of the following classes of property: (1) Aluminum plants; (2) magnesium plants; (3) synthetic rubber plants; (4) chemical plants; (5) aviation gas and gasoline plants; (6) iron and steel plants; (7) pipe lines for transporting oil; (8) patents, processing techniques, and inventions; (9) aircraft plants, and aircraft and aircraft parts; (10) shipyards; (11) transportation facilities; (12) radio and electrical equipment. The Board was authorized, if it deemed it to be in the interest of the objectives of the act, to provide for the disposition of any surplus property listed in classes (9) to (12), above, but with respect to the property listed in classes (1) to (8), above, no disposition was permitted until 30 days after the report had been made to Congress while Congress was in session.

The conference agreement (sec. 19) contains provisions similar to those contained in the Senate amendment with the following exceptions:

(a) There is excluded from the operation of this section of the conference agreement any plant which cost the Government less than \$5,000,000.

(b) The report is limited to surplus property.

(c) With respect to the property listed in classes (1) to (8), above, an exception is made to the limitations on the disposition of such property under which the Board may authorize any disposal agency to lease any such property for a term of not more than 5 years.

(d) The Board is authorized, as under the House bill, to provide for the disposal of any materials or equipment related to any plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it was designed.

(e) A provision is included from the House bill providing that the section is not to apply to any Government-owned equipment, structure or other property operated as an integral part of a privately owned plant

and not capable of economical operation as a separate and independent unit:

#### DISPOSITION OF SURPLUS REAL PROPERTY

The House bill provided that in formulating regulations to govern the disposition of surplus property, the Administrator was to give effect, to the extent feasible, to the policy of disposing of lands in the United States, acquired by the United States after July 2, 1940, which the Administrator deemed suitable for agricultural use, by affording to the person from whom such land was acquired a reasonable opportunity to purchase the land at a price not greater than that at which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of the land resulting from any action of the United States. If the land was not disposed of to the former owner, and if the Administrator deemed that the land should be disposed of for agricultural uses, then it was the policy of the House bill to dispose of it in parcels not larger than suitable for the needs of a one-family unit.

The Senate amendment contained detailed provisions with respect to the disposition of surplus real property. It provided for establishing a central inventory in the General Land Office of all lands held by the United States and provided that the disposition of all surplus real property was to be either by the Secretary of Agriculture or the Secretary of the Interior, depending upon its classification. The former owner and his lineal heirs were given a right to acquire any surplus real property acquired by the Government after December 31, 1939, at a price equal to the price paid by the United States, adjusted for any increase or decrease in the market value of the land by reason of any improvements or changes made thereon, by reason of the use thereof by the United States, or at the market price—whichever was the lower. Similar privileges were extended to tenants. Veterans were given a preference in the acquisition of surplus real property after the former owner and tenant had been given an opportunity to exercise their preference. The Senate amendment also provided for the disposition of Moore Field, in Cleveland County, Okla., to the former owner. For the purpose of the section of the Senate amendment relating to the disposition of surplus real property, the public domain and lands withdrawn or reserved from the public domain were excluded.

Under the conference agreement (sec. 23), surplus real property which is not disposed of to Government agencies or to States, their political subdivisions or instrumentalities, is to be disposed of giving effect to section 23 of the conference agreement. Surplus real property is defined as real property which has been determined under section 11 to be surplus property, and real property is defined as excluding—

(1) Land located in the District of Columbia;

(2) War housing, industrial plants, factories, and similar structures and facilities; and

(3) The public domain or land withdrawn or reserved from the public domain, except to the extent that the Board determines lands so withdrawn or reserved are not suitable for return to the public domain for disposition under the general land laws.

When an owning agency reports real property to the Board as surplus, the Board is directed to classify the property, and is given power to revise its classification from time to time. The disposition of the property is to be effected by the disposal agency designated by the Board under section 10 of the conference agreement. In the case of surplus real property which was acquired by the Government after December 31, 1939, the former owner, or in the event of his death, his wife or children, in that order, are given the right to purchase the property at a price not greater than that



for which it was acquired by the United States, adjusted to reflect any increase or decrease in the value of the property resulting from action by the United States, or at the market price, whichever is lower. If a former owner's property is unavailable or is classified as suitable for a purpose different from that for which it was used when acquired by the Government, then the former owner may be offered other surplus real property in the same area at a corresponding price.

If the former owner, or in the event of his death, his wife or children, in that order, do not exercise the privilege of repurchase of their property, then any tenant (who was a tenant at the time of acquisition by the Government) is given the right to purchase the property at the price for which it could have been purchased by the former owner.

If any surplus real property is not disposed of to the former owner or his tenant, the property, if classified as suitable for agricultural use, is to be subdivided into family-size units. If it is not classified as suitable for agricultural use, it is to be subdivided into appropriate units for disposition.

In the case of surplus real property classified as suitable for agricultural, residential, or small-business purposes, except as provided in the case of the former owner and the tenant, veterans are to be granted preference in the purchase of such property over nonveterans. In the case of the death of the veteran, his wife and children, in that order, succeed to his preference rights. A certificate by the disposal agency that the provisions of section 23 of the conference agreement relating to preferences have been complied with in the case of any property, and that no qualified applicant has made application to exercise his preference, operates to terminate all such preferences and has the effect of removing any cloud which might otherwise exist on the title of another purchaser.

Surplus real property which is classified as suitable for agricultural use, which is not disposed of pursuant to a former owner or veteran preference is to be disposed of insofar as possible only to persons who expect to cultivate and operate it for a livelihood. The Department of Agriculture is authorized, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to these provisions.

The form of the deed or other instrument of transfer in the case of sales of real property is to be approved by the Attorney General. Specific authority is granted, with the approval of the Attorney General, to deliver to purchasers deeds containing general or special warranties of title.

#### AGRICULTURAL COMMODITIES

The House bill provided that surplus farm commodities should not be sold in the United States under the bill in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodity by the Commodity Credit Corporation, unless the commodity were being disposed of pursuant to the bill for export at competitive world market prices. The Senate amendment contained a similar provision with the added limitation that such commodities could not be sold at prices less than the prevailing market prices, if such market prices were higher. The Senate amendment in addition authorized the Commodity Credit Corporation to dispose of or cause to be disposed of for cash, for export only at competitive world prices, any farm commodity or product thereof without regard to restrictions imposed upon it by any law.

The conference agreement (sec. 21) follows the provisions of the Senate amendment with the following exceptions:

(1) In disposing of any farm commodity for export, the Commodity Credit Corporation is authorized to dispose of the commodity not only for cash but for its equivalent in goods or for adequately secured credit; and

(2) It is provided that no food or food products shall be sold or otherwise disposed of under these provisions for export if there is a shortage of such food or food product in the United States, or if such sale or other disposition may result in a shortage, or if such food or food product is needed to supply the normal demands of consumers in the United States.

The Senate amendment also contained a provision making the War Food Administrator solely responsible for the formulation of policies and the carrying out of programs with respect to the disposal of surplus agricultural commodities. The Senate amendment further provided that the Board could not exercise any of its powers with relation to disposal of surplus cotton or woolen goods without approval in writing of the War Food Administrator. There were no comparable provisions in the House bill.

The conference agreement (sec. 21) provides that, subject to the supervision of the Board, the War Food Administrator is to have sole responsibility for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities. Such policies are to be so formulated as to prevent such commodities and food from being dumped on the market in a disorderly manner and disrupting the prices for the agricultural commodity. The conference agreement also contains the limitations of the Senate amendment on the power of the Board with relation to the disposal of surplus cotton or woolen goods.

#### STOCK PILING

The Senate amendment directed that all Government-owned accumulations of strategic minerals and metals be transferred, when determined to be surplus, to the account of the Treasury Procurement Division and added to the stock pile authorized by the act of June 7, 1939, and when so added be subject to its provisions. The term "strategic minerals and metals" was defined as all minerals and metals included in either group A or group B on the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, and any other minerals and metals which the said Board determined should be added thereto. It included ores, concentrates, alloys, scrap, and partially and completed fabricated articles, of which the principal components by value consisted of such minerals and metals. Exceptions were made in the case of fabricated articles which the Army and Navy determined not to be suitable for their use in the form in which fabricated and which could be disposed of commercially at a value substantially in excess of the metal market price of the component minerals and metals of the fabricated articles. It was further provided that transfers to the Treasury Procurement Division of the stock pile should be made without reimbursement or transfer of funds, subject to the exception that if the Reconstruction Finance Corporation or any of its subsidiaries was the owning agency the Secretary of the Treasury was to cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred. There were no stock-pile provisions of any kind in the House bill.

The conference agreement (sec. 22) provides that all Government-owned accumulations of strategic minerals and metals shall be transferred by the owning agency, when determined to be surplus pursuant to the act, to the account of the Treasury Procurement Division and be added to the stock pile authorized by the act of June 7, 1939, and be

subject to its provisions. The provision (contained in the Senate amendment) that such transfer was to be made without reimbursement or transfer of funds is omitted from the conference agreement. Contractor inventories are to be transferred to the stock pile only when the owning agency has taken possession of and determined such inventories to be surplus. The term "strategic minerals and metals" is defined as meaning copper, lead, zinc, tin, magnesium, and a number of other named minerals and metals. The Army and Navy Munitions Board is given power to add to the list of named minerals and metals, aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board determines to be necessary for the stock pile authorized by the act of June 7, 1939.

The term also includes ores, concentrates, alloys, scrap, and partially and completed fabricated articles, of which the principal components by value consist of such minerals and metals but does not include such fabricated articles as the Army and Navy determines are not suitable for their use in the form in which fabricated and which may be disposed of commercially at a value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles. In order to make the provisions relating to the transfer to the stock pile effective, it is also provided in section 14 (b) of the conference agreement that the owning agencies may not dispose of any property under section 14 (b) which, if declared surplus, would be subject to being added to the stock pile under section 22 of the conference agreement.

The conference agreement provides that pending a determination of the War Production Board that the supplies of strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency, subject to regulations prescribed by the Surplus Property Board, shall withhold from transfer to the stock pile an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of 6 months for purposes other than war production; and the owning agency may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price.

The conference agreement also provides that any Government-owned accumulation of strategic materials shall, at the request of the War and Navy Departments, be transferred by the owning agency, when determined to be surplus, to the account of the Treasury Procurement Division and be added to the stock pile. For the purposes of this provision the term "strategic materials" is defined as meaning all materials except strategic minerals and metals, and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but does not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof.

Within 3 months following the enactment of the Act, the conference agreement provides that the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held on the stock pile. After 1 year from the submission of such recommendation, unless the Congress provides otherwise by law, the Surplus Property Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of



strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to the Act.

#### DISPOSITIONS OUTSIDE UNITED STATES

The conference agreement (sec. 32 (a)) retains the provision found in both the House bill and the Senate amendment, that the act is not to limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

The House bill provided that in the case of property not located in the 48 States or the District of Columbia, the Administrator might exempt such property from some or all of the provisions of the act whenever he deemed such provisions would obstruct the efficient and economic disposition of such property.

The Senate amendment had a similar provision but confined to property located outside the United States, its Territories and possessions.

The conference agreement (sec. 32 (b)) embodies the policy of the Senate amendment.

#### REIMPORTATION OF SURPLUS PROPERTY

The House bill provided that to the extent feasible and in the public interest the reimportation of surplus property sold for export should be prohibited.

The Senate amendment provided that surplus property sold for export or disposed of abroad could not be reimported, and directed the Secretary of the Treasury to prescribe necessary regulations.

The conference agreement (sec. 33) states that it is the policy of the act to prohibit, so far as feasible and necessary to carry out the objectives of the act, the importation of surplus property sold abroad or for export. The Board is to prescribe regulations to carry out this policy, and the importation of surplus property is prohibited to the extent specified in such regulations. The Secretary of the Treasury is directed to provide for the enforcement of such regulations.

The same section of the conference agreement also provides that surplus property sold abroad to members of the armed forces may be brought in, without regard to the above prohibition, by the original purchaser upon his certificate that it is brought in for his personal use.

#### INCREASE IN LOAN RATE ON COTTON

The conference agreement (sec. 37) retains the provision of the Senate amendment increasing from 92½ to 95 percent the loan rate on cotton in the case of crops harvested after 1943, but not in the case of crops planted after 1944. If a loan on the 1944 crop has been made before the enactment of this act the loan shall be increased to the amount which would have been loaned if this provision had been in force at the time of the loan.

#### EFFECT ON OTHER LAWS AUTHORIZING DISPOSAL OF PROPERTY

Both the House bill and the Senate amendment contain provisions to the effect that the authority conferred by the act was in addition to any authority conferred by any other law and that the act should not impair or affect any authority for the disposition of property under any other law. The conference agreement (sec. 34 (a)) contains similar provisions. As an example of its operation nothing in the act would impair or affect the provisions of Public Law 587, Sixty-eighth Congress, or sections 101 and 102, Public Law 346, Seventy-eighth Congress, authorizing the transfer of necessary lands, buildings, vessels, supplies, equipment, and material for affording adequate hospital and domiciliary care for veterans.

#### EXCLUSION OF PERMANENT MILITARY RESERVATIONS, POSTS, AND FORTS

The House bill provided that nothing therein was to impair or to affect so much of the Military Appropriation Act, 1945, as was contained in the last two provisos of the second paragraph under the heading "Corps of Engineers," which placed limitations on the disposition of real property acquired by the War Department prior to July 2, 1940.

The Senate amendment provided that any real property which is part of any permanent military reservation, post, or fort should be excluded from the provisions of the act and not be disposed of except upon authorization hereafter granted by law.

The conference agreement does not contain any provision distinguishing between the kinds of property which may be declared surplus and that which cannot, except in the case of public domain and certain naval vessels, discussed above.

#### EXPIRATION DATE

The House bill provided for the expiration of the act at the end of 3 years following cessation of hostilities in the present war, as proclaimed by the President, or upon such date as might be fixed by concurrent resolution of the two Houses of Congress. The Senate amendment provided no expiration date.

The conference agreement (sec. 38) provides that the act shall expire at the end of 3 years following the cessation of hostilities, the date of such cessation to be the date specified by (1) proclamation of the President, or (2) a concurrent resolution of the two Houses of Congress, whichever specified date is the earlier.

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILL M. WHITTINGTON,  
CHARLES L. GIFFORD,  
By C. C.  
GEORGE H. BENDER,  
By C. C.

*Managers on the part of the House.*

Mr. MANASCO. Mr. Speaker, I yield myself 9 minutes. Mr. Speaker, since the 7th day of August the Committee on Expenditures in the Executive Departments has been studying, debating, and arguing surplus property. For 3 weeks the conferees sat in session from 10 o'clock in the morning until 5:30 and 6 o'clock every afternoon. About 9 o'clock Friday night the conferees reached an agreement. We did not want to stay in session all night. We realized that there were quite a few members who wanted to go home. Many of us have important business at home. For that reason I do not believe there has ever been a conference committee that worked as hard and as diligent as we did, because we were interested in co-operating with the membership of the House. We thought that the bill as it passed the House was a much better bill than the bill we agreed to, but in 3 weeks' time, when you go up against men who have ideas different from your own, you finally get worn down. I have talked surplus property all day. My phone rings until midnight every night about surplus property. I am tired of it and I want to get rid of it.

At the present time we are operating under an Executive order of the President for the disposal of this surplus. Many of us have criticized Executive orders from time to time. Many of us say that we are having some of the func-

tions of the Congress taken away by Executive order. For that reason it is imperative that we pass legislation to dispose of this surplus at once.

It is imperative that we pass legislation to dispose of this surplus at once, because if we do not pass legislation now we will have to continue to operate under Executive order. Surplus is being sold every week, and we hope that the war in Europe will be over in the next 3 or 4 weeks—we shall have enormous surpluses on hand when that part of the war is over. We do not want to go to the country and tell them that Congress cannot legislate.

Of course, we did not get everything we wanted, but we got the best we could get. I think every member of the committee of conference will tell you that. Unless we do adopt this conference report, I say that Congress itself will be subject to the just criticism of the country that Congress cannot legislate, therefore it is necessary to operate under Executive order.

We had all kinds of proposals before our committee. We have had requests from our own States and local political subdivisions to give this property away. They use the argument that this is property bought with our money, that we are the same taxpayers that pay State, county, and Federal taxes. Our committee took the position that when the Federal Government took property away from the States it paid them full value. We took the position that some sums should be converted into the Treasury of the United States to retire our staggering war debt. Of course, a lot of people do not believe that. A lot of people think we should give everything away. I do not think we should pass on a debt of \$250,000,000,000 to unborn generations without making some effort to apply to the retirement of that debt as much as possible of the funds derived from the sale of surplus property.

The conference report is different from the House bill in many respects. Our bill provided for a single Administrator. Most of us thought the program could be handled more expeditiously by a single Administrator. However, our views did not prevail.

At first we agreed to what was known as the hydra-headed agency, a board composed of eight members, and a single Administrator. After reading the print over, it was almost impossible to tell where the jurisdiction of the Board ended and that of the Administrator began, so we made another effort to get a single Administrator and were defeated. Then the House conferees offered a proposal to establish a three-man board, a workable board. Some people wanted a four-man board, with the Director of War Mobilization having a vote in case of a tie. We realized that the Director of War Mobilization would be too busy with other matters to know how to vote intelligently to break a tie. Of course, the Director of War Mobilization could not vote intelligently on these questions unless he attended every meeting of the Board. For that reason we made it a



board having an odd number of members. We imposed the same duties on the Board as the House bill imposed on the Administrator. We gave it a lot of authority.

Some people have been alarmed over the objectives in the bill. They fear that they are not policies. If you will read section 9 of the conference report, you will find that we made the objectives policies, and the Board must be governed by these objectives.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Pennsylvania.

Mr. WALTER. If I understand the gentleman correctly, the conferees on the part of the House proposed a Board. We in the House were very definite in the position we took, namely, that there ought to be one Administrator.

Mr. MANASCO. That is true, but we tentatively agreed to a four-man board. After reading over what we had agreed to, we found that it could not work, it was just impossible, so we agreed then on a three-man board instead of an even-numbered board.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. McCORMACK. I understand the House conferees maintained their position for an Administrator and that this three-man Board is a compromise. The House conferees did not propose the Board, but they adhered to the position taken by the House for a single Administrator. Then the first tentative draft was a compromise for an Administrator and a four-man Board which did not place responsibility anywhere?

Mr. MANASCO. That is right.

Mr. McCORMACK. Then the three-man Board is a compromise between the House and Senate conferees and the Board places definite responsibility upon those who comprise the Board?

Mr. MANASCO. That is absolutely correct.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. MURDOCK. Do I understand this report is a unanimous report of the conferees of the House?

Mr. MANASCO. It is a unanimous report of the conferees on the part of the House and the Senate.

Mr. ANDERSON of New Mexico. Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ANDERSON of New Mexico. On the top of page 3 there is some definition with respect to the disposition of surplus property which relates to the public domain. Those of us who live in States which have large areas of the public domain want to know whether this public domain is to go back the way the Surplus Property Board wants it to go back or whether it will consult with the various agencies involved? We understand it will consult with the various agencies involved.

Mr. MANASCO. We intended to exclude from the operation of the Surplus Property Act the public domain.

Mr. ANDERSON of New Mexico. But the clause reads:

The public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board determines are suitable for return to the public domain.

Is the Surplus Property Board the one that is going to determine that or would the people within the State or the various agencies determine that?

Mr. MANASCO. Of course, the Board will consult with the interested people and agencies.

Mr. ANDERSON of New Mexico. The various interests involved will have a chance?

Mr. MANASCO. That is true.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield for another point?

Mr. MANASCO. I yield.

Mr. VOORHIS of California. I wish the gentleman would explain to the House what the provisions of the conference report on the disposal of property to schools and States and instrumentalities of States and subdivision means. I am not sure I understand that.

Mr. MANASCO. Under the terms of the conference agreement, these machines, tools, equipment, and so forth that are suitable for classroom use may be leased to the schools, taking into consideration the common good that accrues from that lease as part of the consideration.

Mr. VOORHIS of California. Does that mean that can be taken into account in determining what the terms of the lease or sale might be?

Mr. MANASCO. That is correct.

Section 8 of the conference agreement gives express authority to the head of any owning agency or disposal agency to delegate, and authorize successive delegations of, any authority conferred upon him or his agency by or pursuant to the act to any officer, agent, or employee of the agency, or with the approval of the Board, to any other Government agency.

The Board was excepted because it is not the policy of the act that the Board should delegate its important policy-making functions. It was thought unnecessary—and likely to be unduly complicated—to attempt to specify the extent to which the Board may provide for carrying out the act by its agents and other Government agencies. It is obvious that efficient administration requires the delegation to officers and agents of executive agencies of a certain degree of responsibility. This is done by all executive agencies without any express statutory authority. While the Board may not delegate its important duty of making policy regulations to carry out the act, obviously in such regulations it may provide for the carrying out of its regulations by its agents and by disposal agencies and owning agencies, including provisions as to what shall be done by such agents or agencies in the event that particular conditions arise or emergencies occur, such action by the agent or agency to be in conformity with the policies set forth, or described in the regulations.

(Mr. MANASCO asked and received permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, obviously one cannot discuss this conference report in 1 minute. I take the opportunity to express my appreciation to the House conferees for the fight that they did make. I am sorry they did not succeed in the position they took. I regret very much, in view of my humble efforts in sponsoring the original bill, that passed the House, that I cannot go along with this conference report.

I am not one of those who believes that in our haste to recess and go home that we should surrender our views and take just any kind of legislation. In my opinion, this is a bad piece of legislation, which they have brought back to us; and I predict that the taxpayer is going to be hurt in the disposal of this huge stock of Government property.

[Mr. CRAWFORD addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Speaker, I realize and appreciate the tremendous amount of work that the conferees had on this bill and the difficulty of getting the two bills into one report. However, I do want to express my disappointment that the conferees felt it necessary to leave out of the bill an amendment adopted by the House that would have allowed men in the service and veterans of this war to buy single units of surplus equipment at the same price for which that same equipment will be sold to dealers in large lots. Frankly, I was not aware of any opposition to that proposal except from one source.

I was contacted by the representative of a manufacturer of jeeps; but first let me say that there is a lot more to surplus war material than jeeps. There are many things the men would like to buy in single units other than jeeps. I have had letters from every battle area and from practically every camp in the country mentioning a thousand and one different items these servicemen would like to buy in single units at the same price for which they will be sold in large lots: Cameras, light aircraft, trucks, jeeps, clothing, organs, and a hundred and one other things. This representative of a manufacturer of jeeps came to me and was opposed to allowing servicemen to buy individual jeeps. He said they should be sold by the Government back to the dealer who manufactured them, so that the manufacturer could change the steering apparatus and make it safe, could put legal headlights on it, could put a different type of windshield on it, a different type of hood, different generator and battery, take off the heavy-duty generator, and put on a lighter generator. He then wanted the manufacturer to sell them through his



own dealer outlets after they had been overhauled, thus two profits before the soldier buys one jeep. If these jeeps are too dangerous to permit the individual serviceman to buy one from the Federal Government at a reasonable price, then they are too dangerous to be driven by anyone on the streets of Washington, New York, Boston, Hartford, or elsewhere. If that is the only reason jeeps cannot be sold singly to servicemen, then it is the responsibility of the War Department now to take them off of our highways and put them in safe operating order. That seems to be the only objection I have received in the past 3 weeks as to why surplus material should not be sold direct to servicemen through the post exchanges.

The SPEAKER. The time of the gentleman from Connecticut has expired.

(Mr. MILLER of Connecticut asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, section 10 (b) retains a provision of the House bill—section 8 (a)—which made the Maritime Commission the sole disposal agency for merchant vessels or vessels capable of conversion to merchant use. The provision as contained in the conference report—section 10 (b)—makes it clear that the legislation under consideration applies only to vessels which are surplus under the legislation, and thus whether a merchant vessel is surplus or not does not affect the jurisdiction and authority of the Maritime Commission. The conference text also makes it clear that when a vessel is surplus and is determined by the commission to be a merchant vessel or capable of conversion to merchant use, such vessel will be disposed of only in accordance with the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels, and that the provisions of the 1936 act and such other laws will govern the disposal of these vessels in place of other provisions of the conference measure relating to procedure for disposal of surplus property.

I note also the savings provisions in section 34 (a) of the conference report protect the operation of other laws containing authority for the disposition of property. This is eminently desirable, because I take it that there is no intent to supersede or affect such enactments of Congress addressed to specific subjects and problems such as Public Law 101, Seventy-seventh Congress, acquisition and disposition of idle foreign-flag merchant vessels; Public Laws 44 and 305, Seventy-eighth Congress, relating to return of fishing and other small vessels to their former owners; and Public Law 46, Seventy-seventh Congress, relating to charter and sale of merchant vessels.

(Mr. BLAND asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, you will recall that when this bill passed the House an amendment offered by the gentleman from Washington [Mr. MAGNUSON] and myself, which prohibited the sale, transfer, lease or other disposition of combat naval vessels, stations, and establishments without the consent of Congress, was adopted, after full debate, by a unanimous vote.

The conference committee scuttled that amendment. The conference report excludes from the definition of property battleships, cruisers, destroyers, and submarines; but as the bill is reported back by the committee it allows the disposal agency to trade, sell, assign, lease or otherwise dispose of any naval station, any naval base, or any naval establishment that the United States has erected either in continental United States or in any part of the world, without the consent of Congress and without even consulting the Congress.

That was an unwarranted concession on the part of the House conferees in the face of a unanimous mandate from the House. It would have been an unwarranted concession even if such a concession had been demanded by the Senate, and I doubt if such a demand was ever made by the Senate conferees. If it was, then, certainly the House conferees should have told us so and they should have asked for further instructions.

The conference report should be voted down and the bill sent back to conference. Let them report a bill back to us which has at least some resemblance to the bill which the House passed originally.

I say to you now, what I said when the bill was last before us, that this provision is vital to the security and preservation of our Navy, and that if the executive department of the Government is permitted to sell, lease or trade, our naval bases and stations, here at home and throughout the world, without the consent of Congress, we will then by this bill have taken the first step toward a repetition of what we did after the First World War, when, in effect, we divided our Navy with the rest of the world through an executive agreement to bring its strength down to that of the other nations and through a further executive agreement not to establish naval bases in certain outposts belonging to the United States.

That executive agreement, Mr. Speaker, was ratified by the Senate. But unless you restore this amendment the same thing can be done again by the executive departments alone, without ratification by the Senate and without consulting either House. I ask the House to recommit the bill with instructions to restore this amendment.

Mr. MANASCO. Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, may I say to the House that the gentleman from Oregon did not correctly state the situation. He said that any disposal agency could give away shore stations, and so forth, but if he will read the conference report he will find that is not correct.

Mr. MOTT. Will the gentleman yield?

Mr. COCHRAN. I cannot yield. The gentleman will find that there are no give-away provisions in this bill. Furthermore, no disposal agency will be enabled to dispose of any shore station or any other facility if it cost the Government more than \$5,000,000 without coming to the Congress.

Mr. MOTT. Will the gentleman yield?

Mr. COCHRAN. No; I cannot yield.

Mr. MOTT. There is no such language in this conference report.

Mr. COCHRAN. Mr. Speaker, this does prevent the sale of battleships, cruisers, carriers, and destroyers. We want to maintain our Navy and I think the Navy wants to maintain it also. As the gentleman from New York [Mr. WADSWORTH] stated, we found that under the terms of the Mott-Magnuson amendment you would not be able to sell even a yacht.

Mr. MOTT. Will the gentleman yield? That is an incorrect statement.

Mr. COCHRAN. Mr. Speaker, I decline to yield.

Some say they cannot vote for the report because we did not get an administrator. It was not until Friday morning last that we gave up, and we gave up when all seven conferees of the Senate held out against an administrator. What were the House conferees going to do? Those of you who have sat on conference committees know that when there is disagreement between the two bodies you must effect a compromise. So the three-man board, all members to be appointed by the President and with a chairman to be named by the President, was the best solution at which we could arrive.

We felt that we should bring back some kind of a report. Under the existing parliamentary situation we could consider but one amendment. We could bring nothing back in disagreement. It was a case of bringing back this report or none.

Mr. Speaker, the Members of the House should carefully consider this matter. Let us legislate from a national standpoint, not from a local standpoint. The provisions of this bill affect Government property in my own city just like it affects Government property in Washington, Oregon, or any other State or city. But we must legislate from a national standpoint.

Now, Mr. Speaker, I want to speak about the provisions of the report. As one of the House conferees I signed this report, not because I am entirely satisfied with its provisions, but because I realized it was the best agreement we could arrive at. It was the desire of the House conferees to have a single administrator as the bill provided when it passed the House. The Senate unanimously refused to recede from its position that a Board handle surplus property. It therefore was necessary to effect a compromise and the three-man Board was finally agreed upon. The Senate gave in on its eight-man Board and an administrator who would have been little more than a messenger.

The Board will have general supervision over and direct the handling and disposition of surplus property which will



actually be disposed of by Government agencies selected by the Board.

Congress directs in the act its objectives which are to give maximum aid in the reestablishment of a peacetime economy and to stimulate full employment, to discourage monopolistic practices, to assist small business concerns, to encourage family-type farming, to assist veterans to reestablish themselves, to prevent speculators from securing the property, to provide for wide distribution to consumers at fair prices, to use normal channels of trade in distribution, to prevent excessive profits, to provide for prompt disposal without competing with private business which would cause unemployment.

At the present time there should be no delay in disposing of this property, especially consumers' goods because the type of goods being declared surplus is not available on the market. Provisions are made for certain priorities. First, Government agencies will be recognized, then States and legal subdivisions, tax-supported institutions, nonprofit educational institutions, also hospitals or similar institutions not operated for profit that are exempt from taxation, as well as veterans.

Under the terms of the act there will be no donations of property that has a commercial value nor will there be any discounts. Government agencies can only secure surplus property within the limits of their appropriations. Thus Congress controls the purse strings. Those granted priorities are limited to their legitimate needs. States and municipalities will have an opportunity to secure airports, harbor or port terminals if they desire to purchase or lease them.

The Smaller War Plants Corporation is directed to consult with small business concerning their needs for surplus property and to purchase such property for resale when in its judgment such disposition is required to preserve and strengthen the competitive position of small business. In this connection let me say no group will receive more consideration than small business if the act is administered as intended.

The Government owns various types of plants of tremendous value. Recognizing this, provisions are made that no aluminum, magnesium, synthetic rubber, chemical aviation gasoline or iron and steel plants and facilities nor aircraft plants and facilities, shipyards and facilities, transportation facilities, or radio and electrical equipment which cost the Government over \$5,000,000 can be disposed of until after reports are made to Congress.

The War Food Administrator will have charge of disposing of agricultural commodities. Wool and cotton cannot be disposed of without the approval of the War Food Administrator.

The stock-piling provisions inserted by the Senate was debated for days. Under the Senate amendment all strategic minerals and metals declared surplus were to be transferred to the stock pile authorized by the Stock Pile Act of 1939, to remain there indefinitely. At present the stock pile is subject to the War and Navy Munitions Board. From

every corner of the country your conferees were urged to accept the amendment just as written by the Senate. This we refused to do. The amendment was practically rewritten and in its present form it does not freeze all strategic minerals and metals, as the original Senate amendment did.

Provisions were made that if the War Production Board finds sufficient strategic metals and minerals are not available to industry to meet the requirements, then the owning agency may dispose of an amount sufficient to meet the deficiency. This will protect private industry and assure it sufficient minerals and metals. If this provision was not in the bill, industry would be handicapped if there was not a sufficient supply, could not operate which would result in unemployment.

Another Senate provision that caused several days discussion was the provision providing for the disposal of surplus real property. This too was practically rewritten. Under the agreement reached where the property was acquired either by sale or condemnation, the former owner will have a priority to purchase, if it is declared surplus. Priorities are also extended to a tenant who might have been on the property if the former owner does not exercise his or her right and a third preference is extended to veterans.

Provisions are made for reports to Congress from time to time of the disposition of surplus property.

The civil and criminal remedies section protects the Government from fraud.

The provision relating to those who handle the disposition of surplus property in my opinion is too broad. It will, I feel, make it extremely difficult to secure experienced businessmen to assist the Government in disposing of this property in an orderly way. Under the original Senate provision I doubt if a stenographer who wrote letters or a typist who listed surplus property could have been employed by a corporation or firm purchasing surplus property for 2 years. This was rewritten but even the amendment agreed upon goes too far. The Treasury Department, acting for the Procurement Division, said the provision agreed upon would seriously cripple that agency which will dispose of billions of dollars of consumers goods. I favored the changes recommended by the Treasury but they were not accepted.

The section providing for all moneys derived from the sale of surplus property to be used to reduce public debt was stricken out because the Treasury showed it would work in reverse. The Treasury would probably be called upon to retire bonds drawing a low rate of interest and at the same time borrow money and issue additional securities drawing a higher rate of interest as there would be no market for bonds after the war bearing the same low rate of interest payable on bonds issued during the war.

It will be necessary to pass legislation at a future date dealing with the retirement of public debt.

Special provisions were made for the sale of surplus property abroad. It is

understood the Foreign Economic Administration will be delegated to handle sales abroad, as it has an organization already set up. No property sold abroad or for export can be returned to the United States for sale except where members of our armed forces certify they are bringing it back for their personal use.

The Senate rider increasing the loan rate on cotton had no place in this bill, as it in no way applied to surplus property. I stated to the conferees, if it was adopted, the price quotations on the New York Exchange would go up. They did. I opposed the amendment, but a majority of the conferees voted for it and it was retained. It should have been considered in a separate bill and not included in this legislation.

When the conferees sat down the bill was referred to by some Members on both sides, myself included, as the great monstrosity. It was our job to destroy the great monstrosity. I feel that we did, but I likewise feel, if the House bill had prevailed, with several exceptions, we would have had a much better law than we will have under this agreement. The House bill was predicated to a large extent on the testimony given by expert witnesses before a number of congressional committees, on the Baruch-Hancock report, and the recommendations of Mr. William Clayton, at present Surplus Property Administrator under the President's Executive order.

Mr. Clayton, as you know, announced last week he would not accept an appointment under this act. I deeply regret he came to that decision before we completed our labors. He has proved to be a most efficient Administrator, an outstanding executive. I sincerely hope the President can prevail upon him to reconsider his decision.

I admit this report can properly be criticized, but your conferees were faced with many difficult situations. Therefore it was necessary to compromise or there would have been no legislation. There is nothing to prevent Congress from changing this law at any time it desires.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. BATES of Massachusetts. Why is it that the committee found it necessary to separate our shore stations from the combat ships in the disposal provisions of this bill? They are part of the military system of this country and bound up completely with the foreign policy of this Nation. The Navy for years has always reported such matters to the Committee on Naval Affairs which in turn made their recommendations to Congress.

Mr. COCHRAN. If you want to, put the blame on me and I will tell you why.

Mr. BATES of Massachusetts. Go ahead and tell us why.

Mr. COCHRAN. I will, if the gentleman will wait. I fought that provision because this Government has set up shore stations all around the shores of this country. They have put modern equipment into them; they have put up new houses and new buildings of every character.



Mr. BATES of Massachusetts. And we spent millions of dollars to do it. Now you want to give them away.

Mr. COCHRAN. Under the gentleman's plan the new stations would have to be sold and the obsolete shore stations would have to be kept.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. MANASCO. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK] such time as he may desire.

Mr. MURDOCK. Mr. Speaker, the gentleman from Missouri [Mr. COCHRAN] has given us a splendid statement of the work of the conferees and of the necessary compromises in order to have any legislation at all. A considerable portion of the gentleman's statement concerned stock piling of the strategic and critical metals and minerals. I confess that I was more in favor of the original Senate provision than I am of the provision in this report. However, the House bill had no provision at all of this kind, and it does seem to me that the provision in this measure is far better than nothing at all concerning minerals and metals. Therefore I favor the provision as found in this report.

The gentleman from Missouri seemed to think that the Senate provision would not be wise or proper, because he believed that under it a great supply of minerals and metals now on hand would be denied to industry for the manufacture of peacetime goods, and thus a certain amount of unemployment would result, and a certain amount of peacetime demand would go unsatisfied. I certainly never had any such object or plan in sanctioning the Senate provision on this. I assure the country that every member of our Select Committee on Post-war Policy and Planning has had as his chief aim the furnishing of maximum employment after the war. That certainly was my aim, and that was in the back of my thoughts when I urged a stock piling of the strategic minerals and metals, for I feared that at the behest of fabricators this great supply of war minerals, especially copper, might be dumped on the market in such a way as to break the price and bring to an end all employment in the copper mines and other mines of our country. Such a policy would work against full employment rather than for it in the long run.

I have watched with great concern for the past 8 years the uphill struggle to procure for our national defense the proper and adequate supply of the strategic and critical war minerals. The first official word I ever uttered in this effort was before the House Military Affairs Committee on May the 18th 1937, when I begged for an American or domestic supply of manganese in the interest of national defense. I think I could name at least half a hundred other moves during the past 8 years, with which I have had some connection, in favor of an adequate supply of one or another of these strategic and critical materials. Now that we have an adequate supply of practically all of them, we ought first to turn off the foreign supply as soon as it is not needed and

carefully reserve an adequate supply for our Army and Navy.

I can assure you that if the Board will pursue the wise policy in regard to the timely release of these stocks in such way as not to break the price, that the mining industry will supply adequate raw material for all of the boomtime construction which may follow the war. The mining industry is just as anxious to have full employment in the manufacturing industry as any of us could possibly be. In this hope and expectation I shall support this conference report.

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Speaker, I yield 12 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, some weeks ago a great wave of sentiment was crystalized for a bill providing for reconversion and another bill to facilitate and regulate the orderly disposal of surplus property. A recess of the House was terminated and Members were called back here to consider these two problems. The House Committee on Ways and Means came back here and wrestled with the bill on reconversion, and after due consideration it was passed by this body. The bill relating to surplus commodities was considered by the Committee on Expenditures in the Executive Departments for some time, and for practically a whole week this measure was discussed on the floor of the House. Every Member of the House who desired to do so had an opportunity to discuss the bill. Finally, we passed a bill, the Senate passed another bill, and the matter was submitted to the conferees.

This conference report comes back to you with the unanimous approval of the conferees, not only of the House but of the Senate as well. On the Senate side there were seven members, four members of the majority party and three of the minority party. On the part of the House three members of the majority party and two members of the minority party were named.

As has been stated here, this measure was discussed and revised for 3 solid weeks. I do not know of a bill that has been gone over more thoroughly, and with a fine-tooth comb, than this one. There is nothing left to the imagination here. If the gentlemen who have raised some of these objections will read the document I hold in my hand, and which is available to them, I am sure the questions raised are fully answered here.

For example, let us consider the matter of the creation of a board rather than a single administrator.

The farm labor groups, small business, the National Grange, big business, all of them, the chambers of commerce, manufacturers' associations, and labor as well, asked for a board rather than a single administrator. If you will recall, there was considerable support on the House side for the board plan, rather than idea of a single administrator. Therefore some of your conferees, particularly the members on the minority side, the gen-

tleman from Massachusetts [Mr. GIFFORD] and myself agreed with the Senate side on this proposition. The majority membership of the House was not very much in accord with the board plan. But frankly I do not believe there is any indispensable man in this country. A certain gentleman, it has been pointed out, and a very fine gentleman, has indicated he would not accept service on this board as is provided for in the conference report. Well, frankly, I believe in this country there are not indispensable men and I believe there is plenty of good material for this board. Frankly, if you do not like what is provided for in this bill or if you do not like the personnel of this board, there is an election coming on November 7 and you can change all that. But under the circumstances this is the best possible method. We have done the best possible job we knew how to do. Most of the language contained in this bill was written by a minority member of the committee. We felt he did an excellent job. Every member of the conference went into great detail in trying to meet every possible objection. This bill is not all things to all men. This report does not satisfy everybody. It does not entirely satisfy me. You will never be able to satisfy everybody. But you will recall the pious phrases which were referred to in the House bill. Those pious phrases are eliminated and instead we have objections written into the bill which indicate exactly what we are attempting to accomplish here and what we are endeavoring to do. Regarding some of the arguments of the gentleman from New York, he said the provision for an advisory committee of business men which was contained in the House bill, was eliminated. Frankly, there was no such provision in the House bill. The only provision in the House bill called for the members of the President's Cabinet to serve as an advisory committee.

Mr. BENDER. Regarding the veterans, I am sure that this conference committee endeavored to give every consideration to veterans and they so indicated in the report. Read what they say regarding the rights of the veterans in the surplus property disposal report, which was signed by the House Members. You will find on page 26 where preference is given to veterans. Regarding the small-business provision of this conference report, small business has preference under this report. Small business receives first consideration under this report and we saw to it that small business had that consideration before we signed it.

I do not mind a criticism of a measure if it is based on a statement of fact.

If you base your argument on a false premise, or if you have hallucinations about it naturally your objection is not valid.

This conference report is up to you. It is your baby. It is not my baby now. It has been my baby for the last 3 weeks and the baby of every one of these conferees. If you do not want to stay here from now until January 1 to discuss a substitute bill, vote for this measure



now. I have had so many of you on both sides of the House ask me, "When are you going to get through with this so that we can get out of there?" Well, just read this report. It is available here. You have 25 or 30 minutes before the vote will be taken. This whole thing is available to you. You can digest it in that time, I am sure. The gentleman from Massachusetts [Mr. GIFFORD] and the gentlemen in the other body on the minority side, as well as the majority side, after the consideration they have given this measure, would not sign a report that they did not believe in, and if they were not thoroughly convinced that it was a good report.

It is easy to demagog on anything. It is easy, by talking in headlines and talking loud, possibly, to picture holes through any measure before you. But, before voting on this proposition I wish you would read it and understand it. I wish you would read it with me and know exactly what each provision calls for. The Navy has been referred to. Unless the Navy declares any item surplus it is not surplus. The Navy must agree to what is surplus property before this Board can handle such disposal.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. BENDER] has expired.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

(Mr. HALE asked and was granted permission to revise and extend his remarks.)

Mr. HALE. Mr. Speaker, I should like very much to add my tribute to the patience and industry which was displayed by the conferees in discussing this very important measure. I share the dissatisfaction of members of the committee of conference that the substitution of a Board for a single administrator was made. But I should be willing to stomach many of the features of the bill as agreed upon in conference but for one thing. That is with respect to the amendment adopted in the House with almost no dissent, and adopted unanimously in the Senate, which provided that the proceeds from the sale of surplus property should be covered into the Treasury as a fund to be used exclusively for the reduction of the National debt. No feature of the bill was more highly commended by the press of this country than that. It was a step and the most affirmative and valuable step by the Congress in a long time in the interest of a sound fiscal policy in this country.

Mr. STEWART. Mr. Speaker, will the gentleman yield?

Mr. HALE. I will yield momentarily.

Mr. STEWART. I wish the gentleman would explain the significance of the language in section 22.

Mr. HALE. I have not time to do that. It can better be explained by one of the conferees.

The objections of the Treasury Department to the vision which requires the use of proceeds from the sale of surplus property for the repayment of the National debt are not weighty objections.

The only inference that can be drawn from the Treasury's attitude is that someone in the Administration wants to get his hands on the money and spend it as current income. To be sure, the money must be reappropriated; but the pressure to spend this money if it is available for expenditure will be tremendous; it puts a tremendous temptation into the hands of the Administration.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Illinois.

Mr. MASON. I wish the gentleman would explain why this provision was eliminated when both the Senate and the House were in agreement upon it.

Mr. HALE. That question can better be answered by one of the managers on the part of the House. Inferentially there was a yielding to pressure from the Treasury Department, but I must say it seems extraordinary to me that when a provision appeared in both the House bill and the Senate bill it should be omitted in conference. Personally, I know of no precedent for such an omission in conference.

Mr. PETERSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. HALE. I yield.

Mr. PETERSON of Florida. In view of the gentleman's statement, I call attention to the fact that subsection (g), appearing on page 69, of the House bill, which would have allowed the taxing by local units of property, a provision that had been agreed to by both the House and the Senate, was changed in conference.

Mr. HALE. I thank the gentleman for the contribution.

There is abundant precedent for applying moneys solely for the reduction of the debt, notably in the case of the capital of the Reconstruction Finance Corporation. I understand the Treasury Department admits that it will not put a single additional employee on the Government pay roll if the provision which was adopted in both the House and the Senate bills remains in this bill; and I propose at the proper time to move to recommit this bill in the hope that the managers on the part of the House will insist on the provision adopted by the House requiring that the proceeds of the disposal of surplus property be covered into the Treasury in a special fund to be used solely for the reduction of the national debt.

The SPEAKER pro tempore. The time of the gentleman from Maine has expired.

Mr. WHITTINGTON. Mr. Speaker, the time has been equally divided; 30 minutes have been allotted to the minority. There remains to me 10 minutes but, Mr. Speaker, I now yield of that 10 minutes 2 to the gentleman from New York if he desires it.

Mr. TABER. Mr. Speaker, I cannot vote for a bill which sets up a board to manage the disposition of surplus property. There will be no responsibility anywhere and we can get nowhere with that kind of set-up. Another thing, I will not vote for a bill which provides, as this

bill does on page 14, that the lowest price which possibly can be obtained shall be taken for the sale of agricultural property. If a situation arises as arose in Oklahoma where oil was discovered on a piece of property, it would have to be turned back to the former owner from whom it was taken either at the price he was paid for it or at a lower price, not a higher price based upon the current value of the property. I cannot be a party to that kind of a bill and to that kind of a performance. I shall vote against the conference report and I hope the House will reject it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Speaker, I yield 2 minutes of the time allotted to me to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the gentleman from Maine [Mr. HALE] stated that he intends to offer a motion to recommit with instructions to the conferees. Of course, this is not instructions to a House committee. If his motion prevails, then the whole matter is reopened, everything in dispute between the two branches is reopened, and it is not confined to one question.

We are faced with a very practical situation. I can stay here right along because I come from a safe district. I am nominated, and anyone nominated in my district is elected. There are others, members of both parties, in the same position, but there are a number here who are not in that enviable position.

If this conference report is accepted—and the conferees have done the best they can; they have done a good job—then the situation in relation to the other bill is such that Members probably can leave with the strong probability that the leadership may arrange for a recess at the proper time.

In relation to the observation made by the gentleman from New York [Mr. TABER], who says he cannot vote for the conference report with a board in it, may I say that the Republican Members in the other branch are for a board. The House conferees certainly fought for an administrator. Those of us who have been on conference committees know that we have at times to get together and compromise. The House conferees came the nearest possible to the single administrator in a board of three. Speaking for myself—and this is the first time I have spoken on the question—I prefer a board in peacetime activities to an administrator. In wartime I believe in delegating all the power possible to a single person because we have to. In wartime we are faced with the law of self-preservation, but in a democracy, under normal peacetime conditions, I want satisfaction, as well as efficiency, and I think it is more satisfactory to the people of the country to have a board administer matters, particularly matters of this kind. Generally speaking, a board should do the administering in peacetime rather than to have the authority vested in the hands of an individual.



Mr. Speaker, I hope the conference report will be agreed to.

Mr. MANASCO. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Mississippi [Mr. WHITTINGTON].

#### SURPLUS PROPERTY ACT OF 1944

Mr. WHITTINGTON. Mr. Speaker, I shall endeavor to reply to some of the objections and criticisms of the conference agreement and arguments in favor of recommitment. The gentleman from Michigan [Mr. CRAWFORD] stated that we have abandoned policies. The gentleman is in error. In the House bill we had objectives and policies, but they have been combined under the name objectives and the policies and objectives of the two bills are contained therein.

The gentleman stated, secondly, that we have disregarded policies with respect to the execution of the powers. I refer him to section 9 (a) of the conference agreement and I quote the following from said section:

In formulating such regulations the board shall be guided by the objectives of this act.

The gentleman stated that no provision is made for advisory committees, and he is correct to the extent that the so-called Patman amendment of the House bill was not retained. I favor advisory committees, but under the conference agreement there is the same provision generally for advisory committees there was when this bill passed the House because we provide that the rules and regulations of the administrator under the Executive order shall continue and there is, therefore, the authority for the advisory committees that have been appointed and that have functioned so well under the Executive order of the President. Personally, I urged affirmative provision for such committees, but the other conferees would not agree. Mr. Clayton and his attorney believed he had the power to appoint such committees under section 35 of the conference agreement taken from the House bill.

I am in agreement with the gentleman from New York [Mr. TABER], with respect to land, and with respect to a single Administrator. I am in agreement with the gentleman from Maine [Mr. HALL] who will move to recommit generally, but for instructing the conferees to insist upon proceeds being used to retire the public debt. When we came to look into the matter we found out from the Treasury that it would cost the Treasury money, that we were issuing bonds now and selling them at a smaller rate of interest than we probably could if we used this money to retire bonds at present low rates, and borrowed after the war. So the Treasury, whatever is said about the matter, is protected, and I am urging that this money be paid into the general fund of the Treasury so that there may not be the multiplied deficits and borrowings specific in peacetime following this war. I advocate that all Treasury receipts not needed for current expenses be used in retiring as fast as possible the public debt. The motion to recommit involves a psychological question, and is not one of the important or material issues involved.

Moreover, something has been said about an Administrator and a Board. From the first to the last day of a 3-week conference, the House majority conferees contended for a Board, and after we tentatively agreed to a hybrid four-member Board and Administrator under the Director of Demobilization, after it had been submitted to the Drafting Service and put into shape, they were so absurd the House majority Members came to the conclusion that—and I use my language and I measure my words—no self-respecting Administrator would or could accept the position. I speak for myself when I state to you as I said in substance to the conferees that no self-respecting member of the House majority conferees could sign a conference report with such a monstrosity or hybrid Board and Administrator, with no power or discretion in it. Thereupon the House majority conferees, before Mr. Clayton had written a letter that he could not be considered in connection with the position of Administrator, agreed upon the language for a three-man Board, the smallest possible Board, with the exact qualifications of the Administrator, as it appears in the conference agreement, and it was subsequently agreed to in the conference after Mr. Clayton wrote each conferee a letter, which I shall insert in my remarks.

May I read you from a letter that Mr. Clayton wrote before the provision for a three-man Board was agreed to and after the hybrid monstrosity of a four-man Board and an Administrator was tentatively agreed to? I quote:

My decision not to accept appointment under the bill springs from the conviction growing out of the Senate hearings and debates on the bill that the surplus property disposal program is no longer to be conducted in a businesslike manner.

He has put the blame where it belongs; it is on the other body. We stood for the single administrator. We stood for the House single administrator for 3 weeks. Mr. Clayton in this letter, which I shall, as stated, insert as a part of my remarks, said, and I quote:

My views on all such questions have been stated over and over in many hearings before committees of Congress, and are incorporated in the bill as it passed the House.

What about the Army and what about the Navy? No single item of Navy property will be disposed of unless it is declared surplus by the Navy Department. No man within the sound of my voice, as long as the war continues with Japan, expects the Navy to declare any needed plant establishment or vessel surplus, but to make assurance doubly sure, I call your attention to the fact that we prohibit the Navy—and that is the only prohibition—against the Navy Department from declaring any battleship, cruiser, aircraft carrier, destroyer or submarine as surplus property. No Army property can be disposed of unless the Army declares it to be surplus. If there is a Navy establishment or plant costing \$5,000,000 or more, a plant established by the Navy costing that amount, there will be a report to the Congress, and the Congress must have that report 30 days before any disposi-

tion can be made. The only plants authorized to be disposed of by the Board are plants costing under \$5,000,000, without waiting 30 days on Congress. However, reports on all plants and facilities are to be submitted to Congress.

I would like to speak further. I would like to say that in my judgment the so-called stock-piling provision in this bill is unjustified and indefensible. We modified it as best we could. There was an absolute freezing of aluminum and copper in the Senate bill, no matter how great the surplus. We argued for 3 weeks about that provision, notwithstanding the fact that the Army and the Navy, according to the best estimate we could obtain, would have a surplus that might approximate from 525,000,000 to 1,650,000,000 pounds of aluminum—and that this might be the surplus over and above that required by the stock pile. There is an estimated surplus of from 300,000 to 1,000,000 tons of copper. Under the Senate bill, all metals, including aluminum and copper, whether needed in the stock pile were frozen.

This conference agreement is not as good as the House bill. It is much better than the bill that passed the Senate, and in my judgment, unless we want to shoulder the responsibility of continuing the disposition of surplus war property under the Executive order of the President, we should vote for this conference report.

The motion to recommit is in opposition to the bill. If recommitted, the great probability is there will be no bill. Surplus property will thus be disposed of under the Executive order of President Roosevelt. Those who vote to recommit are thus voting for disposal under Executive order rather than under an act of Congress. An unsatisfactory bill is better than no bill at all, for we have been advised an act is necessary to pass at least some titles to surplus property. I trust that the conference report will be adopted.

The letter which I include under leave granted is as follows:

SEPTEMBER 14, 1944.

HON. JAMES F. BYRNES,

Director, Office of War Mobilization,  
Washington, D. C.

DEAR JUSTICE BYRNES: I have seen a copy of the Surplus Property Act of 1944 (H. R. 5125) which I understand the conference committee has tentatively agreed to report. However, I am also informed that at a meeting which the committee will hold tomorrow morning, the conferees will still be free to make changes in the bill.

Whatever form the bill may finally take, I have come to the conclusion after mature consideration that I cannot accept appointment under it should such appointment be tendered me.

I hope, therefore, that the conferees, each of whom will receive a copy of this letter, will accept the views herein expressed as being completely disinterested.

My attempts at assisting in writing surplus property legislation were made at the urgent request of Congress. My only concern has been to get workable legislation drawn in the national interest.

My decision not to accept appointment under the bill springs from the conviction growing out of the Senate hearings and debates on the bill that the surplus property disposal program is no longer to be con-



ducted in a businesslike manner. Under these circumstances, since all my experience has been in business, the responsibility for administering whatever bill may finally be passed belongs in other hands than mine.

The latest draft of the bill provides for a four-man board and an administrator with no clear definition of their respective jurisdictions and with the votes of the board decided by the Director of War Mobilization.

No agency of this type with diffused responsibility among a number of appointees with equal authority working through an administrator with conflicting powers could ever get the job done. It would be better to omit altogether any statutory provision for an administrator than to adopt this unworkable compromise.

Unless the bill is changed in this respect it not only will not work, but its impracticability will be so obvious on its face that the task of getting good men to accept appointment under it may be impossible.

I have never advocated the granting of unfettered discretion to one man.

I myself suggested to the conferees that all regulations and all single sales of any property which cost the Government \$1,000,000 or more should be subject to the approval of the Policy Board (consisting of Government officials like the present board functioning under Executive Order 9425).

One man rule is thus not the issue.

The issue is administrative workability.

There are so many other unworkable provisions in the bill which appear to me to be contrary to the national interest that I will not attempt to comment on them.

My views on all such questions have been stated over and over in many hearings before committees of Congress, and are incorporated in the bill as it passed the House.

I only want to add that whatever the final form of the bill, the administrative agency for which it provides should be set up and begin to function without delay. Momentous decisions may have to be made at any time.

If desired, I shall of course be glad to help out unofficially in every way that I can until the new administration is functioning.

Sincerely yours,

W. L. CLAYTON.

Mr. Speaker, I extend my remarks by saying that it will be recalled that the House passed the bill for the disposal of surplus property on August 22, 1944, and that the Senate passed a similar bill on August 25, 1944. The conferees have submitted in lieu of the two bills so passed, the bill contained in the conference report. The conferences lasted almost 3 weeks. The conference agreement is by no means wholly satisfactory, but it represents the agreements of the conferees.

#### THE TWO BILLS

The House bill provided for an administrator. The surplus property belongs to the people. The House bill contemplated its orderly disposition without dumping, with wide distribution, without speculation, in aid of little business and in promotion of national defense. It contemplated the orderly disposition of surplus property so as to promote employment, and it prohibited the reimportation of surplus property sold abroad. Transfers to Government agencies, to States, to educational and charitable institutions were established, and a fair price for the property was contemplated. No donations were provided. All were treated alike. There were preferences to the former owners of agricultural lands and to veterans where feasi-

ble and practicable. Provision was made for the orderly disposition of Government plants without violating the anti-trust laws and without restraining trade. Competition was to be encouraged. No property was to be disposed of unless the proper agencies of the Government declared it to be surplus to the needs of the agencies. Details were avoided in the House bill, but the policies and objectives in connection with the limitations protected the domestic economy and the public interests.

Under the House bill there were not only no donations, but definite provision was made for Congress to retain the purse strings. There could be no transfers to any Government agency unless that agency reimbursed the owning agency from funds heretofore or hereafter appropriated by the Congress.

The Senate amendment provided for a board composed of eight members. There was no place for an administrator with real power and with discretion. There was provision only for a director and other minor officials. The board was at once cumbersome and would have thus been inefficient. Decisions would have been replaced by delays. Property would not have been disposed of.

The Senate amendment provided for donations to schools, hospitals, and public health. There was no provision for the reimbursement for lands. They might or might not have been added to the public domain. At all events the transfer would have been to the Interior Department and agricultural lands ultimately to the Department of Agriculture with no definite provisions for reimbursement. The preferences to former owner and former tenants would have resulted in clouds upon titles. The disposition of plants was wholly inadequate. The result would have been the plants would have been idle rather than converted from war to peacetime economy. The result of the Senate amendment was to delay the disposition of property that was not donated. There was no definite requirement for reimbursement for transfers to Government agencies. The approaches and the handling of the surplus property in the House bill and the Senate amendment were thus widely different.

The majority of the House conferees insisted that the House bill was more practical and urged adoption by the conferees. Unable to secure its adoption, the House conferees undertook to have the views of the House bill incorporated in the conference agreement as fully and completely as practicable. We are not wholly satisfied. The conference agreement is not perfect. It is not as workable as it was in our opinion when it left the House. It is a compromise, as is the case with most legislation.

#### THE BOARD

In place of the single administrator of the House bill and the board of eight in the Senate amendment, the conference agreement provides for a board of three, and it adopts the language of the House bill as to the powers and functions of the Board. All three members of the Board are appointed by the President and the

President designates the Chairman. The Chairman of the Board is comparable to the Administrator in the House bill. The House conferees believe that a board of three is the next best thing to an administrator and far better than an unwieldy board of eight, with the want of qualifications as stated in the Senate bill and refer to economic interests and geographical areas.

#### PURSE STRINGS

All transfers to all Government agencies must be reimbursed. Congress thus retains the purse strings. This was fundamental in the House bill. It is probably the most solid provision in the conference agreement. There is a requirement for reimbursement in all cases of transfers and no transfer can be completed without reimbursement.

#### SCHOOLS AND HOSPITALS

The conference agreement provides for most generous treatment of schools and hospitals. Transfers from one Federal agency to another must be reimbursed at the fair value. Property suitable for schools, public health, and hospitals may be leased or sold to States, political subdivisions, tax-supported institutions, and nonprofit institutions. In the sale or lease the Board is to give consideration to any benefit which has accrued or may accrue to the United States from the use of such property by the State or institution. It was thus the intent of the conferees that schools, educational institutions, and hospitals should receive most generous treatment and that the sales or leases might be for the values determined by the Board when they took into consideration the benefits stipulated.

Donations are not authorized, but most reasonable and generous sales or leases, especially where the need is great, to schools and hospitals, were contemplated by the conference agreement.

Under the House bill there were no donations, but schools and hospitals were given a priority so surplus property suitable for their needs would be made available to them before it was made available to the public or to dealers. The House bill thus contemplated generous consideration for schools and colleges. As I have stated, it did not provide for donations. Many interests requested donations. If the practice had been laid down in the case of schools and hospitals, Soil Conservation and other interests would have insisted upon donations. The surplus property belongs to the taxpayers. Citizens, including widows and orphans, have purchased bonds. It should be disposed of for the benefit of the citizens. The surplus property belongs to the people. They have been taxed to provide it. The purpose in disposing of the property was to promote the public interest, including the Public Treasury.

No man can be more sympathetic with schools and hospitals than I. The United States through the Army and the Navy has dealt most generously with educational institutions and has provided most generously for hospitals during the war. In many cases equipment has been leased to the schools by the Navy. Such leases may be continued. It is not too much to say that if it had not been for the educa-



tional policy of the Army and the Navy many educational institutions would have closed their doors during the war. Moreover, they are supported by the State and the local institutions. The States have surpluses. The Federal Government has deficits and unparalleled debts incurred to wage war.

Under the conference agreement surplus property is made available to Government agencies for Government functions. If there had been a donation to schools and hospitals they would have had a priority over agencies for which appropriations are made by Congress and for which Federal taxes are levied.

Under the conference agreement there may be sales or leases. Schools and hospitals are accorded more generous treatment than any other agencies, including the public and dealers. They follow the Federal Government and the States in priority, and at a smaller value or consideration. Fair value obtains with respect to Federal agencies, but under the conference agreement the board, in disposing of surplus property to schools and hospitals, is to take into consideration any benefit which has accrued or may accrue to the United States from the use of such property.

Physicians and dentists have made a notable contribution to the war effort. In many cases their equipment was made available to the Government. As veterans they must reestablish themselves. The committee was of the opinion that such veterans should have an opportunity to acquire dental and medical supplies and equipment. They are entitled to be considered along with hospitals. I favored such a policy. I emphasize however that schools and hospitals are given a priority. They are accorded more generous treatment than any others. In substantially all other cases, fair value obtains, but in sales or leases to schools and hospitals the value is to be fixed by the board in consideration of the public benefits of schools and hospitals.

Ordinary schools and hospitals must buy from dealers as do individuals. Under the terms of the conference agreement such is not the case. They are accorded not only better treatment but the consideration in the lease or sale may be materially less than the case of the public, including dealers and individuals.

I repeat that there were sharp distinctions between the policies of the House bill and the Senate amendment. There were no donations in the House bill. There were not only donations in the Senate amendment, but the Senate amendment contemplated, in the case of returning soldiers and in the case of purchasers of lands, supervision over purchasers and as contemplated by the Jones-Bankhead Act. That act provides under appropriations made by Congress for a few farms in each county. The Senate amendment contemplated that governmental supervision over purchasers of lands, including purchases by veterans, should continue. I am among those who believe that veterans who fought for their country can farm their own lands. I believe that citizens should be encouraged to own and operate their lands without governmental supervision.

I supported the Bankhead Act, but it would be unfair for the appropriations accruing to any State to be utilized in a small area where an Army camp is abandoned. I believe in individual initiative, and I want to promote landowners. Congress retains the purse strings, and may or may not appropriate money, notwithstanding the use of the term Jones-Bankhead Act in the conference agreement.

#### FAIR VALUE

Generally, except in the case of schools, hospitals, and similar institutions, and except in the case of former owners of lands, the conference agreement provides that the Board shall obtain for the Government the fair value of surplus property upon its disposition. A yardstick in thus prescribed.

#### LANDS

Surplus lands, except warehouses, industrial plants, factories, or similar structures and facilities or the sites thereof, or the land which the Board determines as essential to their use, are to be disposed of, but no part of the public domain, consisting of many millions of acres used during the war, is to be disposed of. The former owner, where feasible, is given the option of reacquiring at the price for which it was condemned by the Government, subject to depreciations or appreciations, his former lands, and in the event he does not so reacquire, the tenants of the former owner are given the privilege of acquiring the lands they formerly worked.

Veterans of the present war are given preferences in acquiring lands as well as other property.

In the event the preferences are not exercised by the former owner or his wife or children, or by former tenants or veterans, there will be no cloud upon the titles of other purchasers, as the bill provides that the certificate of the Board and the conveyance shall be conclusive that the preferences have been given. The purchaser is thus vested with a good title.

Family-sized farms are contemplated. The Board will select the agency for the disposal of the lands. The Department of the Interior may dispose of pasture lands in the far West, and the Department of Agriculture may dispose of agricultural lands, and the Federal land banks may dispose of other types of lands. The agencies are left to the Board. No land, however, is to be added to the public domain unless Congress has heretofore appropriated or hereafter appropriates for acquiring such lands.

#### PLANTS

The Board is to submit reports covering plants within 3 months to Congress and is authorized to dispose of any plants which cost the Government less than \$5,000,000, but in the case of plants costing \$5,000,000 or more, no disposition is to be made until 30 days after such reports have been made while Congress is in session, except that Congress may authorize a lease of such plants.

Adequate provision is made in any case for the disposal of material or equipment

not necessary to the operation of the plant, and any property not capable of economic operation as a separate and independent unit operated as an integral part of a privately owned plant may be disposed of.

The Attorney General is to advise respecting the applicability of the anti-trust laws in the disposal of plants or other property which cost the Government \$1,000,000 or more.

#### EXPORTS

Strictly speaking, the conference agreement should not have provided any legislation except for the disposition of surplus property when declared surplus property as provided by the act. It was urged that the Stabilization Act had not provided for parity prices for cotton and that farm commodities could not be sold abroad for less than parity prices. It was insisted that only an additional loan on cotton of 2½ percent could effectuate the parity price contemplated by the Stabilization Act as amended. The additional loan on cotton is for only 1 year. It was urged that surplus agricultural commodities or the products thereof could not be exported for less than parity price without authority. Provision was thus made for the exports of surplus agricultural commodities or the products thereof with the equivalent benefits to textile manufacturers that were provided when the export program was in effect from 1939 to 1941.

#### STOCK-PILING

Personally, I believe that the so-called stock-piling provision of the conference agreement is the most unsatisfactory, inefficient, and the least justifiable provision in the agreement. Congress wisely provided in the act of June 7, 1939, for a stock pile of strategic materials. These materials include not only metals and minerals but many other materials, and from time to time the list is added to or diminished as the Army and Navy Munitions Board determines a material to be strategic or not strategic. The stock pile may include lumber, rubber, tin, quinine, and similar materials. There was no division among the conferees that an adequate stock pile should be provided. Under the provisions of the House bill in which no reference was made to an alleged stock pile, no strategic materials, including metals and minerals, would have been disposed of unless they had been declared surplus by the Army and the Navy. It was thus contemplated in the House bill that the stock pile, not only of strategic minerals and metals but all other strategic materials, should be added to as determined by the Army and the Navy, and that only surplus materials, including metals and minerals that were surplus and that were not needed by the stock pile would be declared surplus and thus made available to the civilian population. Minerals and metals have been used for the armed forces during the war. The civilian population has done without. The patriotic citizenship of the United States gladly acquiesced that aluminum and copper should go first to the armed



forces. The people agreed to do without.

Stock-piling is not confined to metals and minerals. It is not confined to copper or aluminum. It is not confined to domestic metals and minerals. The real strategic materials are materials that are not produced domestically. The criticism of the stock-piling some 2 years related to rubber, to tin, and to quinine. Of course, it has been imperative to add all materials, including metals and minerals, to the stock pile during the war. The production of lumber has been vastly increased. It was essential to increase the production of aluminum and of copper. There has been a scarcity of rubber. Synthetic rubber has been provided for.

Stock-piling, because of the rubber situation, has become a rather popular slogan. Selfish interests would capitalize on this slogan. In reconversion which will result in the cancelation of contracts, it is estimated that contractor inventories of materials, including metals like aluminum and copper, will vastly increase the stock piles and will result in unprecedented surpluses over and above the maximum requirements of the stock pile in the case of many metals, including aluminum and copper.

The Senate amendment provided that all minerals and metals should be frozen and added to the stock pile, whether they were needed or not and whether they were surplus or not. Selfish interests, and particularly the aluminum and copper interests in the case of surplus metals, would thus have been accorded a protection that would have resulted in a practical monopoly that was not accorded to any other group or class. Property estimated to be valued at from fifty or sixty billions of dollars is to be disposed of. It was all right with these selfish interests for shoes to be disposed of, notwithstanding there were shoe factories and for other surplus items to be disposed of, notwithstanding that similar articles were being produced, but when it came to aluminum and copper, they were to be frozen. Prior to the present World War, the Aluminum Co. of America, supplied substantially all domestic aluminum. Except as war plants were sold and except as the Government has aided operators by furnishing money, the Aluminum Co. of America would have a virtual monopoly on the civilian requirements for aluminum, under the Senate amendment.

I want aluminum and copper to have a square deal. I do not want the products dumped. Neither do I want any other products dumped on the market, but I want the mining interests to be accorded the same treatment that the commercial farming and other interests are accorded. The bill must not confer special favors. I think it would be unwise to prevent the disposition of wheat or corn or cotton. If there is a surplus, the time to dispose of it is when the consumers have the money and when they need it most.

The best estimate I could obtain is that at present there is on hand and would be a surplus of aluminum ingot of from 525,000,000 to 1,650,000,000 pounds, and

that there is on hand and would be a surplus of 300,000 to a million tons of copper. The Army advised that no such quantity was required for the stock pile, that there would in all human probability be an enormous surplus and that they urged that any and all not required for the armed services and in the stock pile should be made available to the civilian population. Such was the view of the majority of the House conferees. They opposed the freezing of wholly unprecedented and utterly unneeded quantities of aluminum, copper and other metals when there was no similar provision respecting any other surplus property in the United States. Aluminum is a strategic metal, but not necessary for the stock pile and should be disposed of now when needed.

We were sympathetic with the problems of miners and the mining States. We shared in the premiums and in the bonuses that have been given to the marginal and other mines, although they resulted in a vast increase in the costs of copper to the Government. We oppose dumping. We wanted an orderly disposition of copper and aluminum just as we want an orderly disposition of all other surplus property, but why freeze aluminum and copper without freezing any other of all the 2,000,000 items of surplus property? Whether intended or not, the result would be to revive the monopoly that the Aluminum Company of America had in aluminum before the war when aluminum cost during the depression, with low wages, approximately 7 cents a pound more than it is costing the Government now with the highest wages in the history of the country.

There was no disposition to prevent a wholly adequate stock of any metal, but when we contemplate that the Big Ten in copper mining or, better still, the Big Three in copper mining, would have been the chief beneficiaries of freezing copper, we know that while the spokesmen for the marginal mines are sincere, and while the advocates of stock-piling, so-called, are honest and sincere, nevertheless, the Big Three, especially Kennecott, Anaconda, and Phelps-Dodge, the Big Three of the Big Ten would be the chief beneficiaries of the freezing policy under the guise of stock piling all copper contained in the Senate amendment, and the public would pay more for copper.

The opposition of the majority House conferees resulted in the metals being named and in aluminum being omitted. A howl was made, and finally aluminum was inserted through the back door with a definite statement that it might be added to the stock pile in such quantities as the Army and the Navy Munitions Board may determine to be necessary for the stock pile authorized by the act of June 7, 1939.

There was a second concession to the viewpoint of the House. Provision is made for making available to the civilian population for the current requirements of industry minerals and metals for 6 months at the market price thereof. The provision is not adequate, but it was the best concession that the majority members of the House conferees could obtain.

There was another concession. The conference agreement provides that within 3 months the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal in the stock pile authorized by the act of June 7, 1939. After one year if Congress takes no action, the metals and minerals may be disposed of when declared to be surplus pursuant to the provisions of the act.

The stock-piling section thus becomes ineffective. There will be what I term a partial freezing for 12 months with 6 months provision for the civilian population unless Congress takes action. There would have been an indefinite freeze under the Senate Bill, but under the provision mentioned, if Congress takes no action within a year, the freezing section of the misnamed stock-piling section of the conference agreement will cease to be effective and surplus strategic materials, including minerals and metals, may be disposed of as provided by the House Bill.

One thing more. The stock-piling section provides that for the transfer to the stock pile, but it is significant that there was stricken from the Senate amendment the language which would have made the transfer effective. I quote that language not in the conference agreement:

Transfers under this section shall be made without reimbursement or transfer of funds except that if the Reconstruction Finance Corporation, or any of its subsidiaries, is the owning agency for any property so transferred, the Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation in an amount equal to the cost of the property so transferred.

Under the terms of the bill there must be reimbursement for all transfers.

Under section 22 for stock piling there is no provision for reimbursement. It was omitted. Personally, I insisted upon its omission. The majority of the House conferees insisted upon its omission. Their insistence was based upon the fact that the transfer would not be complete without reimbursement. I repeat that while the Senate amendment would have absolutely frozen, the conference agreement is a partial freeze only for the 12 months when Congress takes no action, with 6 months' provision for the civilian population, and with provision for disposal after 12 months, with no congressional action, as if the alleged stock-piling section had not been included in the bill.

The House conferees reluctantly agreed to the alleged stock-piling provision because in all probability the Jap war will continue 12 months longer, and the net result will be that except for surpluses as required by the civilian population, resulting from contractor inventories, there will be no surpluses of strategic metals and minerals declared for 12 or 15 months.

The further net result is and will be that Congress should provide further and additional legislation for stock-piling by amending the act of 1939.



In passing, it is well to observe that subsection (c) was inserted at the insistence of the majority Senate conferees. It is a variation and a modification of the language suggested by the House majority conferees as a substitute for Senate stock-piling section 22 (a), but the modification serves to emphasize, so that he who runs may read, the utter unsoundness of subsection (a) of the stock-piling section 22 of the conference agreement.

Without reimbursement the owning agencies will not declare surpluses, and the designs of the selfish interests to give to aluminum and copper a consideration accorded to no other product or no other property are thwarted.

#### GENERAL PROVISIONS

As a measure of precaution there is a prohibition against the disposal of any battleship, cruiser, destroyer or carrier. It is my view that such a prohibition is wholly unnecessary. No property would be disposed of unless it was declared to be surplus. It is unthinkable that the Navy would declare any such combat vessels surplus or that they would undertake to dispose of such vessels without an act of Congress. Both the Senate and the House bills contain exceptions with respect to the disposal of Army posts or similar reservations prior to the present war. Such exceptions have been eliminated. The Army and the Navy did not make any request for such exceptions. If there is any reservation, Army posts or Army camps that have outlived their day, the Army has a right to declare them surplus. If there is a modern post or a modern camp that is better for the national defense than one established during the Indian wars in the far west, the Army should have the privilege of retaining the best post for the defense of our common country. We have relied upon the Army and the Navy in the prosecution of the greatest of all wars. We can rely upon them in the material defense of our country.

#### PERMANENT LEGISLATION

The bill is under consideration primarily for the disposal of surplus war property, but property becomes surplus in both peace and war. The House passed, in June 1943, after careful consideration, a bill for the disposal of Government surplus properties. It took the place of approximately 100 statutes. It provided for inventories, for an orderly disposition, for reimbursement, and contained no donations. The present bill will expire in 3 years following the conclusion of the existing war. I know of no more important legislation than the enactment at an early date of a bill for the orderly disposition of surplus property. The losses that accrued to the Government from the abolition of the Civilian Conservation Corps, the Work Projects Administration, and the National Youth Administration are the best evidence that I can give in behalf of the immediate enactment of much needed permanent legislation for the disposal of surplus Government property.

#### CRITICISMS

The conference agreement has been criticized as not including constructive

agreements, as providing for retail sales, as stipulating economic qualifications for members of the Board, and as eliminating provisions of the House bill against speculation and freezing, and reimportation of goods sold for export and in eliminating advisory committees. As I have stated, the House bill was the better bill. The majority of the House conferees contended for the provisions of the House bill, but in fairness, the criticisms mentioned are without merit.

First. While the conference agreement does not provide for conference committees, they are not prohibited, and under section 35 the Board may utilize as the Surplus Property Administrator has utilized them under the Executive order establishing the Surplus War Property Administration.

Second. Notwithstanding squints at retailing, the normal trade channels are contemplated. The objectives and policies of the House bill are combined under objectives in section 2, the conference agreement. Under subsection (n) of objectives, I quote:

To utilize normal channels of trade.

Again I quote from subsection (q):

To prevent excessive profits.

Again I quote from subsection (h):

To discourage disposal to speculators or for speculative purposes.

I refer to subsection (d):

To discourage monopolistic practices and to preserve the competitive position of small business.

I refer to subsection (j):

To avoid dislocations of the domestic economy.

I especially emphasize subsection (e), section 11, which provides for "uniform and wide public notice so that all interested purchasers may have a fair opportunity to buy."

Again I refer to section 18 (b) providing that the usual and customary commercial practices shall obtain.

Subsection 18 (a) prevents discriminations against small business.

There is a very much stronger provision against reimportations in the conference agreement than obtained in the House bill. It is section 33 of the conference agreement.

There is a squinting at retails in section 17, but they might have been used if necessary, under the House bill. The majority House conferees objected to the language, but this section must be construed in the light of the other provisions of the bill. The Miller House amendment was eliminated.

The conference agreement, while not as good as the House bill, is far better than the Senate amendment. The majority House conferees did their best to obtain the substantial provisions of the House bill. I believe the report should be approved.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks generally and to revise and extend by including the letter from Mr. W. L. Clayton to Director James F. Byrnes, dated September 14, 1944.)

Mr. GOSSETT. Mr. Speaker, I am glad that the conferees struck from sec-

tion 22 of the Senate bill the provision requiring a reservation of oil, gas, and mineral deposits in the property to be sold under this bill. To make the matter perfectly clear, in order that there be no mistake hereafter as to congressional intent, I want to say that the Congress intends to preclude any reservation of mineral rights in real property to be conveyed under the terms of this bill. The reference in section 23 of the conferees' report to provisions of the Bankhead-Jones Farm Tenant Act does not intend to authorize the Government to reserve any part of the minerals under farm lands or other lands to be sold under the terms of this act.

The SPEAKER. All time has expired. Mr. MANASCO. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. HALE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. HALE. Yes; in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HALE moves to recommit the bill to the committee of conference on the disagreeing votes of the two Houses on the bill H. R. 5125.

Mr. MANASCO. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 93, noes 91.

Mr. MANASCO. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair has just counted. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 150, nays 169, not voting 112, as follows:

[Roll No. 114]

YEAS—150

Allen, Ill.	Cole, N. Y.	Hale
Allen, La.	Colmer	Hall,
Andersen,	Compton	Edwin Arthur
H. Carl	Cox	Hall,
Anderson, Calif.	Cravens	Leonard W.
Andresen,	Crawford	Hancock
August H.	Cunningham	Harness, Ind.
Andrews, N. Y.	Day	Heldinger
Angell	Dirksen	Hertter
Arends	Durham	Hess
Arnold	Dworshak	Hoffman
Auchincloss	Eaton	Hope
Baldwin, N. Y.	Ellis	Howell
Barden	Elston, Ohio	Hull
Bates, Mass.	Engel, Mich.	Jeffrey
Beall	Fellows	Jenkins
Bishop	Fenton	Jennings
Born	Fish	Jensen
Brown, Ohio	Fuller	Johnson,
Buck	Fulmer	Anton J.
Buffett	Gamble	Johnson,
Butler	Gearhart	Calvin D.
Carlson, Kans.	Gerlach	Johnson, Ind.
Carson, Ohio	Gillie	Johnson,
Chipperfield	Goodwin	J. Leroy
Church	Grant, Ind.	Jones
Clevenger	Griffiths	Jonkman
Cole, Mo.	Gwynne	Keen



Kearney  
Kelley  
Kilburn  
Kilday  
Kleberg  
Knutson  
LaFollette  
Landis  
Lanham  
Larcade  
LeFevre  
Lewis  
Luce  
McCowen  
McGregor  
McMillen, Ill.  
McWilliams  
Maas  
Martin, Iowa  
Martin, Mass.  
Mason  
Morrow  
Miller, Conn.  
Miller, Nebr.  
Monkiewicz

Mott  
Mruk  
Murphy  
Myers  
Newsome  
Norman  
O'Hara  
O'Konski  
Patton  
Plumley  
Powers  
Ramey  
Rankin  
Reed, Ill.  
Reed, N. Y.  
Rees, Kans.  
Rolph  
Schiffner  
Scrivner  
Short  
Simpson, Ill.  
Smith, Maine  
Smith, Ohio  
Smith, Va.  
Smith, Wis.

Springer  
Stanley  
Stearns, N. H.  
Stewart  
Sumner, Ill.  
Taber  
Talbot  
Talle  
Tarver  
Taylor  
Vorys, Ohio  
Vursell  
Walter  
Weichel, Ohio  
West  
Wigglesworth  
Wilson  
Winter  
Wolcott  
Wolfenden, Pa.  
Wolverton, N. J.  
Woodruff, Mich.  
Worley

## NAYS—169

Abernethy  
Anderson,  
N. Mex.  
Andrews, Ala.  
Barrett  
Beckworth  
Bender  
Bland  
Bloom  
Bonner  
Bradley, Pa.  
Brown, Ga.  
Brumbaugh  
Bryson  
Buckley  
Bulwinkle  
Burch, Va.  
Burchill, N. Y.  
Burdick  
Byrne  
Camp  
Canfield  
Cannon, Fla.  
Cannon, Mo.  
Capozzoli  
Celler  
Chapman  
Chenoweth  
Cochran  
Coffee  
Cooley  
Cooper  
Costello  
Cresser  
Curley  
D'Alesandro  
Davis  
Delaney  
Dilweg  
Dingell  
Disney  
Dondero  
Doughton  
Drewry  
Eberhart  
Ellison, Md.  
Fay  
Feighan  
Fernandez  
Flannagan  
Fogarty  
Folger  
Forand  
Gathings  
Gavin  
Gillespie  
Gillette  
Gordon  
Gore

Gorski  
Gossett  
Graham  
Grant, Ala.  
Green  
Gregory  
Gross  
Hare  
Harless, Ariz.  
Harris, Ark.  
Hart  
Heffernan  
Hill  
Hinshaw  
Hobbs  
Hoch  
Holmes, Mass.  
Jarman  
Johnson  
Luther A.  
Johnson  
Lyndon B.  
Johnson, Okla.  
Kee  
Keogh  
Kerr  
King  
Kinzer  
Kirwan  
Lane  
Lea  
Lesinski  
Ludlow  
Lynch  
McConnell  
McCormack  
McGehee  
McMurray  
Madden  
Magnuson  
Mahon  
Maloney  
Manasco  
Mansfield.  
Mont.  
Mansfield, Tex.  
Marcantonio  
May  
Michener  
Miller, Pa.  
Mills  
Monroney  
Morrison, N. C.  
Murdoch  
Murray, Tenn.  
Norton  
O'Brien, Ill.  
O'Toole  
Outland

Pace  
Peterson, Fla.  
Peterson, Ga.  
Philbin  
Pittenger  
Pracht  
C. Frederick Pratt,  
Joseph M.  
Price  
Priest  
Rabaut  
Ramspeck  
Randolph  
Rivers  
Robertson  
Robinson, Utah  
Rockwell  
Rodgers, Pa.  
Rohrbough  
Rooney  
Rowan  
Sadowski  
Sasser  
Satterfield  
Scanlon  
Scott  
Shafer  
Sheridan  
Simpson, Pa.  
Snyder  
Somers, N. Y.  
Sparkman  
Spence  
Stigler  
Sumners, Tex.  
Thomas, N. J.  
Thomas, Tex.  
Thomason  
Tibbott  
Torrens  
Towe  
Troutman  
Vincent, Ky.  
Voorhis, Calif.  
Ward  
Weaver  
Wene  
Whelchel, Ga.  
White  
Whitten  
Whittington  
Wickersham  
Winstead  
Woodrum, Va.  
Wright  
Zimmerman

## NOT VOTING—112

Baldwin, Md.  
Barry  
Bates, Ky.  
Bell  
Bennett, Mich.  
Bennett, Mo.  
Blackney  
Bolton  
Boykin  
Bradley, Mich.  
Brehm  
Brooks  
Burgin  
Busbey  
Carrier  
Carter  
Case

Clark  
Clason  
Courtney  
Curtis  
Dawson  
Dewey  
Dickstein  
Dies  
Douglas  
Elliott  
Ellsworth  
Engle, Calif.  
Fisher  
Fitzpatrick  
Ford  
Fulbright

Furlong  
Gale  
Gallagher  
Gibson  
Gifford  
Gulchrist  
Granger  
Hagen  
Halleck  
Harris, Va.  
Hartley  
Hays  
Hébert  
Hendricks  
Hoeven  
Hollfield  
Holmes, Wash.

Horan  
Izac  
Jackson  
Johnson, Ward  
Judd  
Keefe  
Kefauver  
Kennedy  
Klein  
Kunkel  
Lambertson  
LeCompte  
Lemke  
McCord  
McKenzie  
McLean  
McMillan, S. C.  
Merritt  
Miller, Mo.  
Morrison, La.  
Mundt

Murray, Wis.  
Norrell  
O'Brien, Mich.  
O'Brien, N. Y.  
O'Connor  
O'Neal  
Patman  
Pfeifer  
Phillips  
Ploeser  
Poage  
Poulson  
Reece, Tenn.  
Richards  
Rizley  
Robson, Ky.  
Rogers, Mass.  
Rowe  
Russell  
Sabath  
Sauthoff

Schwabe  
Sheppard  
Sikes  
Slaughter  
Smith, W. Va.  
Starnes, Ala.  
Stefan  
Stevenson  
Stockman  
Sullivan  
Sundstrom  
Tolan  
Treadway  
Vinson, Ga.  
Wadsworth  
Wasielewski  
Weiss  
Welch  
Willey

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Baldwin of Maryland against.

Mr. Halleck for, with Mr. Vinson of Georgia against.

Mr. Miller of Missouri for, with Mr. Tolan against.

Mr. Curtis for, with Mr. Weiss against.

Mr. Bennett of Missouri for, with Mr. Ford against.

Mr. Hoeven for, with Mr. Izac against.

Mr. Elmer for, with Mr. Granger against.

Mr. Stefan for, with Mr. Fulbright against.

Mr. Schwabe for, with Mr. Norrell against.

Mr. Dewey for, with Mr. Barry against.

Mr. Stevenson for, with Mr. Dickstein against.

Mr. Poulson for, with Mr. Fitzpatrick against.

Mr. Bradley of Michigan for, with Mr. Pfeifer against.

Until further notice:

Mr. Richards with Mr. Willey.

Mr. Clark with Mrs. Bolton.

Mr. Sheppard with Mr. Kunkel.

Mr. Poage with Mr. Busbey.

Mr. Brooks with Mr. Horan.

Mr. O'Connor with Mr. Douglas.

Mr. Morrison of Louisiana with Mr. O'Brien of New York.

Mr. Dawson with Mr. Holmes of Washington.

Mr. Engle of California with Mr. Phillips.

Mr. McMillan of South Carolina with Mr. Stockman.

Mr. Courtney with Mr. Wadsworth.

Mr. O'Neal with Mr. Ellsworth.

Mr. Merritt with Mr. Brehm.

Mr. Hays with Mr. Carrier.

Mr. Sabath with Mr. Keefe.

Mr. McCord with Mr. Ward Johnson.

Mr. Slaughter with Mr. Gallagher.

Mr. Bell with Mr. Murray of Wisconsin.

Mr. Smith of West Virginia with Mr. Robson of Kentucky.

Mr. Gibson with Mr. Mundt.

Mr. McKenzie with Mr. Reece of Tennessee.

Mr. Wasielewski with Mr. LeCompte.

Mr. Hollfield with Mr. Blackney.

Mr. Boykin with Mr. Judd.

Mr. Hendricks with Mr. Rizley.

Mr. O'Brien of Michigan with Mr. Gale.

Mr. FOGARTY, Mr. ABERNETHY, Mr. MANSFIELD of Montana, Mr. BARRETT, Mr. GILLESPIE, and Mr. GATHINGS changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. TABER) there were—yeas 174, nays 91.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

## EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New Jersey [Mr. POWERS] be allowed to extend his own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

## AMENDING NAVAL RESERVE ACT

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5067) to amend the Naval Reserve Act of 1938, as amended, so as to permit foreign service of members of the Women's Reserve under certain conditions, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. HARNES of Indiana. Mr. Speaker, reserving the right to object—

The SPEAKER. The Chair will state to the gentleman from Washington that the Senate bill is on the Speaker's table. Does the gentleman desire to ask for consideration of the Senate bill?

Mr. MAGNUSON. Mr. Speaker, I was going to propound a second unanimous consent request that we substitute for H. R. 5067 the Senate bill S. 2028.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. CHURCH. Mr. Speaker, reserving the right to object, until the gentleman explains his bill I reserve the right to object. Is this the WAVE bill, or is this the admiral and general bill?

Mr. MAGNUSON. This is the bill to allow WAVES to participate in service in the Western Hemisphere.

Mr. CHURCH. Mr. Speaker, I have no objection.

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to substitute the Senate bill.

The SPEAKER. Why should the gentleman do that? If the Chair may suggest, the Chair understands that the Senate bill is in the form which would be passed, and the House bill is not in the form that the House would probably pass.

Mr. MAGNUSON. Mr. Speaker, I withdraw my request.

The SPEAKER. The Chair makes the suggestion that the gentleman from Washington [Mr. MAGNUSON] asks unanimous consent for the consideration of the Senate bill.

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2028) to amend the Naval Reserve Act of 1938, as amended, and the Coast Guard Auxiliary



definite sum weekly for a definite period while unemployed. This law is compulsory and applies whether the State adopts a State unemployment insurance act or not. The State was given an opportunity, of course, to pass a law. The Federal Government set this policy. How can the Federal Government refuse to give the same protection to its wartime employees that it insisted private employers give to their employees. I am of the opinion that the Federal Government owes the same obligation to its workers as private employers owe to their workers. I say wartime employees, because Government employment is, as a rule steady in peacetime and is not subject to the fluctuations in work that brings about unemployment in private employment. I should want to give this phase of the question further consideration before I committed myself on a permanent policy on the part of the Federal Government.

Second, The line between Government and private employment in this period of war production is rather vague. During the past 3 years I made a study of war costs. I visited numerous cantonments where thousands of workers were employed. These were cost-plus contracts and the pay rolls of these workers were Government pay rolls, paid by the United States Treasury directly through the War Department. I next visited 47 defense plants. The companies whose plants I visited had 850,522 employees on their pay rolls which aggregated \$2,316,041,747 in 1942. This amount included 3 percent unemployment insurance tax. These companies were as a rule 100 percent on Government production and this pay roll including, of course, the 3-percent tax came directly out of the United States Treasury. It was for this reason that I took the position that to the extent that an industry is engaged in Government production, their pay rolls were Government pay rolls, and it was on this ground that I based my objection to the payment of excessive wages and of profits.

At the same time I visited 5 Government arsenals which were engaged in the production of war materials, gun carriages, Garand rifles, castings of gun barrels, and cannon. The 5 Government arsenals I visited had a pay roll of \$108,474,276 and 50,464 workers in 1942. These armories were expanded far beyond their peacetime capacity and will go back to their peacetime capacity and employment. Their pay rate was 25 percent below that of private industry engaged in the same type of work. Thousands of these employees will be unemployed when these arsenals go back to peacetime production. Their pay rolls are Government pay rolls, and they are not protected under present laws by unemployment insurance.

On June 21 of this year I made a report on the production and costs of powder explosives, shell-loading, bag-loading, and chemical plants. The 22 out of 58 of these plants I visited had 200,000 workers. Approximately 500,000 workers are engaged in the 58 plants. They are doing a magnificent job. They are working in Government-owned, company-operated plants and are not protected by unemployment insurance.

Ninety-eight percent of these workers will be out of a job when peace comes, as we will be overstocked with ammunition. All these workers represent only a small part of the total workers engaged in producing billions of dollars worth of war material. How can I say to the worker making a gun carriage at Rock Island Arsenal, a Garand rifle at Springfield Armory, or some other implement of war at one of the other arsenals, that he is not entitled to the protection of unemployment insurance, when another worker employed in a private plant, making the same kind of weapon, is given that protection, the 3-percent unemployment tax being added to the cost of the product and ultimately paid by the Government?

How can I say to the 500,000 workers employed in Government-owned, company-operated munition plants that they are not entitled to that protection, while at the same time other workers working in private plants of the same operating company are given that protection, the cost thereof coming out of the United States Treasury as a production cost? Thousands of Government workers are engaged in keeping records, making up Government pay rolls and other wartime work. How about the \$1,440 Government clerk who came to Washington at the call and urging of his or her Government to meet the temporary emergency and was frozen at his or her job by Executive order? Can I refuse to give him or her the same protection that I am giving the machine-gun assemblers I found in private plants engaged in 100 percent war production and who receive as high as \$8,700 a year or perhaps some other unskilled worker who was and is drawing \$100 a week on the production?

The workers employed in automobile plants, refrigerator plants, radio plants, and other plants have a chance of being reemployed in the same industry making these peacetime products. The wartime Government worker will be out of a job, hitting the sidewalks, looking for work because he does not have the same chance, as the Government will not and should not engage in nonwar, peacetime production. The fact is that millions of workers employed in private industry making war materials are being given the benefits of unemployment insurance protection, the cost of which is added to the cost of the product and paid by the United States Treasury. Justice and fair play demand that the wartime workers in Government arsenals, munition plants, offices, and so forth, are entitled to the same protection.

### Mr. Robert J. Hayes Writes To Correct the Record

#### EXTENSION OF REMARKS OF

**JERRY VOORHIS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 14, 1944

Mr. VOORHIS of California. Mr. Speaker, in the course of my remarks

about the problem of surplus-land disposition, I stated that Mr. Robert J. Hayes, one of the members of Mr. Clayton's advisory committee to determine the methods of surplus land disposal, had been one of the two members of the committee who voted on July 5 against a report recommending the setting up of a Board of Classification and Assignment and for the disposal of certain lands through the Department of Agriculture, certain lands through the Department of the Interior, and certain lands through the Public Building Administration.

As Mr. Hayes points out in his letter I stated in my speech that Mr. Hayes "was to become the general counsel for the new agency to be set up in the Reconstruction Finance Corporation if R. F. C. received the lands for disposal." My statements were factually correct. Mr. Hayes was one of two members who voted against the first report of the committee and who supported the position of Mr. Clayton in the matter and he did later become and is now the counsel for the new land disposal section of the R. F. C. I believe, however, that Mr. Hayes is justified in feeling my statement left the suggestion in the mind of the reader that he knew at the time he cast this vote that he was to become general counsel of the R. F. C. land-disposal agency. I am therefore glad to include with my remarks herewith the letter from Mr. Hayes in which he explains that he had at the time he cast this vote no knowledge that the position at the R. F. C. land-disposal agency was to be offered him.

Needless to say, I do not agree with the arguments advanced in the third paragraph of Mr. Hayes' letter against the Board of Classification and Assignment for the handling of surplus lands.

RECONSTRUCTION FINANCE CORPORATION,  
Washington, September 13, 1944.

HON. JERRY H. VOORHIS,  
Member of Congress,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN VOORHIS: During the course of your remarks as set forth in the CONGRESSIONAL RECORD of September 11, 1944, page 7745, concerning the disposal of land, you stated that I "was to become general counsel for the new agency to be set up at Reconstruction Finance Corporation if R. F. C. received the lands for disposal." This statement is apparently predicated upon my dissent to the recommendation of the Interdepartmental Committee of June 5, 1944, that a board of classification and assignment of real property be established.

At the time of the June 5 meeting of the committee, which was the first I attended, I had not been offered a position with either the Surplus War Property Administration or with the Reconstruction Finance Corporation, nor had the possibility of such employment ever been discussed with me. Also it had never occurred to me that I might ultimately be associated with either agency.

My dissent to the interdepartmental committee report was based on the following reasons: (1) The committee was acting outside the scope of its instructions, as it was my impression that the Surplus War Property Administrator had requested the designation of a single disposal agency, and (2) it is my opinion that to obtain efficiency of operation, reporting, and administration in the disposal of real property it should be handled through a single agency rather than by assignment through a board.



In accordance with your suggestion, I am forwarding this explanation to you for clarification of the record.

Sincerely,

ROBERT J. HAYES.

## Plan for Perpetual International Peace

### EXTENSION OF REMARKS

OF

### HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1944

Mr. LUDLOW. Mr. Speaker, Rev. Frank J. Niles, of Indianapolis, secretary of the Lord's Day Alliance of Indiana, has given a great deal of thought to the post-war future of the world and he has made a contribution to the discussion of this subject that is receiving much attention. The plan of which he is the author is entitled "A Plan for Perpetual International Peace."

Next to winning the war the thinking of all right-minded people is now being directed to the kind of world we shall have after the war is over, and it is with pleasure that I present for printing in the CONGRESSIONAL RECORD Mr. Niles' notable contribution on that timely subject. It is as follows:

#### PLAN FOR PERPETUAL INTERNATIONAL PEACE

The history of our beloved country records the unhappy story of wars and the resultant burdens of national debts and oppressive taxation of our citizens. The fathers and mothers of every generation since we became a nation have had to send their sons to die on the battlefield to protect the ideals of the Nation. While we can boast that every battle fought has been in the interest of humanity to insure better privileges for the oppressed, it does not dry the widow's tear nor bring back our soldier dead to their rightful places in our homes and society. We have built enduring monuments of marble to our honored dead who have been sacrificed on the altar of this country's service; we have written volumes glorifying the valor of our heroes; yet all of these noble gestures have not lessened the burden of taxation nor advanced the arts of peace.

Every patriotic citizen longs for the day to come when the "nations shall learn war no more." It is this longing that has inspired the author to study the causes of war and to submit to the countries of the world the following plan for Perpetual International Peace.

As citizens we are amenable to the laws of the municipality, county, state and nation where we reside. We are also citizens of the globe, but there are no global laws to govern the relations of the several nations with each other. Where there is no law there is anarchy. There are treaties and agreements and commitments but no power to enforce them except the force of arms and any country having a grievance real or fancied must resort to war to get redress. Then, too, ambitious leaders, seeking to impose their ideologies upon other nations, have sought world conquest, resulting in World War No. 1 and the present global cataclysm in which treaties have become "scraps of paper" and international agreements only broken promises.

This thesis proposes:

I. To establish an International Congress in which every country, large or small, shall become a member. This membership shall be compulsory and no country shall be permitted to remain outside such Congress under penalty of trade sanctions, isolation or other penalties.

Each country shall elect or appoint one member for each ten million or fraction thereof of its population as a representative in the Lower House of a law making body. Each country shall also appoint one member, regardless of the population, as a member of the Upper House of this law making body. This "Congress of Nations" shall make laws governing the relations of the several countries of the globe to each other. It shall also establish an International Standard of the values of the coinage of each country. It shall choose a gold standard and also a silver standard, with a certain ratio of the value of a grain of silver to a grain of gold. Each country shall be compelled to keep its coin to a certain number of grains of gold or silver and all paper money must be represented by its face value in gold or silver bullion. This will prevent fluctuations in the rates of exchange between the countries.

No country will be permitted to have a standing army nor own any armament or ordnance nor have or maintain any battle-ships, submarines, bombing planes, or other implements of war, but each country will be allowed an armed police force sufficient to enforce its own laws within its own borders.

II. Every country will be permitted to choose its own form of government so long as its government is not anarchistic or inimical to the society of the world. Every country, large or small, will be guaranteed its territorial integrity and the citizens of every country will be guaranteed the right of religious freedom.

III. There shall be an International Army made up of one soldier from every 25,000 or fraction thereof of the population of the various countries. This army shall have and control all the munitions and ordnance of all the countries. There shall also be an International Navy made up of one sailor for each 25,000 or fraction thereof of the population of the various countries. This navy shall have and control all battleships, submarines, etc.

The International Army and Navy shall be the Executive Department of the Global Government and be the police power to enforce the Global laws enacted by the International Congress.

IV. There shall also be an International Court made up of one Justice and one Associate Justice from each of the various countries. The Associate Justice sitting in the Court only when the Justice is absent.

This Court shall have original and final jurisdiction in all matters between countries. Any country or group of countries having a grievance against any other country or group of countries must bring its grievance to the International Court, and its judgments shall be final.

The International Army and Navy will enforce the judgments of the Court and the edicts of the International Congress. The Navy will see that the seven seas are kept free from piracy and open to the trade of the world.

Therefore we respectfully submit to the constituted authorities of all the countries of the globe the following Resolutions:

SECTION 1. *Therefore be it resolved*, that all peoples of the earth should be united in a commonwealth of nations to be called the Congress of Nations, as soon after the close of the present war as is possible.

SEC. 2. That such Congress shall be composed of one representative for each ten million, or fraction thereof, of the population of each country, great or small, which shall be-

come a member of such Congress of Nations, which representatives shall be members of a lower house of this law making body. Each country shall also furnish one representative regardless of its population, which representative shall be a member of the upper house of the law making body, and every country shall become a member of such Congress under penalty of trade sanction or other compulsion. Each country shall have the right to the kind of self government such country may desire, not inconsistent with the principles of the Congress of Nations.

SEC. 3. Every country shall be guaranteed the right of territorial integrity and to be free from invasion or conquest by any other country or countries so long as such country obeys the law governing the Congress of Nations.

SEC. 4. The Congress of Nations shall have the power and authority to establish the rate of exchange or the monetary values of the currency of the countries, and so far as possible to formulate standards of living among the laboring classes so that there shall be equality in the manufacture and transport of goods, thus preventing jealousy between the laborers of the several countries; and there shall no longer be heard the expression "The haves and the have-nots," but so far as possible every man, woman and child shall have equal rights and opportunities to peace, happiness, and the enjoyment of the fruits of their labor.

SEC. 5. There shall be established a Court of Nations composed of one justice and one associate justice from each country composing the Congress of Nations, the associate justice sitting only when the justice from his country is absent. Such court shall have original and final jurisdiction in all disputes between countries or groups of countries and the judges and associate judges representing the countries involved in the controversy shall be disqualified in the consideration of such dispute.

SEC. 6. No country shall be permitted to have a standing army or navy, and only a sufficient number of armed police to enforce the laws within its own borders, and no country shall be permitted to own any armed vessel, plane or tank.

SEC. 7. There shall be an International Army composed of officers and soldiers of the several countries of the Congress of Nations in the ratio of one to each 25 thousand or fraction thereof, of the population of each country, the members of which army shall owe allegiance only to the Congress of Nations, and shall enforce the laws of the Congress of Nations and the decisions of the Court of Nations.

SEC. 8. There shall be an International Navy composed of officers and sailors in numbers equal to the members of the International Army. The duty of the navy shall be to enforce the freedom of the seas and guarantee to the several countries that all sea lanes shall be forever free to all countries of the globe.

SEC. 9. That the Congress of the United States shall adopt a resolution embodying the plan and principles herein enunciated and urge the President of the United States and Secretary of State to formulate such a plan and to base all peace proposals and the treaty of peace to follow this conflict upon the principle of an everlasting peace enforced by a Congress of Nations.

SEC. 10. *And be it further resolved* that the Legislative bodies of all the countries of the globe shall adopt a resolution embodying the plan and principles herein enunciated and urge the rulers of their countries and their secretaries of state to formulate such a plan and to base all peace proposals and the treaty of peace to follow this conflict upon the principle of an everlasting peace enforced by a Congress of Nations.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 20, 1944, for actions of Tuesday, September 19, 1944)

(For staff of the Department only)

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SENATE

1. PROPERTY MANAGEMENT. Agreed to the conference report on H.R. 5125, the surplus-property disposal bill (pp. 8013-9, 8037-47). (For provisions see Digest 150a.) This bill will now be sent to the President.

Sens. Barkley, Ky., Johnson, Colo., and Aiken, Vt., discussed the policies under this bill for the disposal of passenger vehicles and as to the availability of surplus property to REA cooperatives (pp. 8038-9). Sens. Thomas, Okla., and Austin, Vt., discussed the provision relating to the sale price of real property acquired by the U. S. as it affects the value of farm lands which now have no value (pp. 8041-2). Sen. McKellar, Tenn., criticized the elimination of the provision in the bill that gave the Surplus Property Board "complete authority... for the sale of surplus property" (p. 8043). Sen. George, Ga., questioned the status of land purchased under the Weeks law which the FS may wish to exchange for other lands, and Sen. C'Mahoney, Wyo., stated, "It cannot become surplus unless the Forest Service declare it to be surplus" (pp. 8043-4). Sen. Wherry, Nebr., discussed the eliminated Senate provision that required that proceeds for surplus-property sales be applied on the public debt (pp. 8044-6).

Received the President's 2nd quarterly report concerning surplus Government property and materials no longer needed for war purposes (S. Doc. 239). To Military Affairs Committee. (p. 7987.)

2. WATER CONSERVATION. Sen. O'Mahoney, Wyo., inserted resolutions of the Water Conservation Conference recommending modifications of the amendments to H.R. 4485, the Whittington flood-control bill, and H.R. 3961, the rivers and harbors bill (pp. 7988-91).

Sen. Taft, Ohio, submitted an amendment which he intends to propose to H.R. 4485, the Whittington flood-control bill (p. 7993).

3. PUBLIC LANDS; PERSONNEL; FORESTRY. Public Lands and Surveys Committee submitted a report pursuant to S. Res. 319, which requires Senate Committees to report the names of persons employed by the committees who are not full-time employees of



the Senate or of such committee. This report contains the names of 2 FS employees. (pp. 7992, 8035-6.)

4. RUBBER; ALCOHOL. Sen. Gillette, Iowa, submitted the Agriculture and Forestry Subcommittee's report on the investigation of expanded utilization of farm crops and forestry products for the manufacture of synthetic rubber and industrial alcohol (S. Doc. 240) (pp. 7993-7).
5. FORESTRY. Sen. Gillette, Iowa, inserted Irving Brant's letter commending former Rep. Lacey's conservation work and criticizing efforts to abolish the Jackson Hole National Monument (pp. 7997-8).
6. BANKING AND CURRENCY. Sen. Scrugham, Nev., urged support for his bill S. 2125, to provide that all gold and silver domestically produced which may be in excess of war needs may be sold in foreign markets (pp. 8000-2).
7. PRICE SUPPORTS; MEAT PRODUCTION. Sen. Gillette, Iowa., commended WFA's recommendation for continuation of the present support price for hogs and criticized the "treatment" that the hog producers "receive at the hands of" OPA (pp. 8036-7).
8. POST-WAR PLANNING. Agreed to the conference report on S. 2051, the demobilization-reconversion bill (pp. 8052-6). The House received the conference report (pp. 8053-6). The bill, as reported by the conferees, establishes the Office of War Mobilization and Reconversion, to include the Office of Contract Settlement (created by the Contract Settlement Act of 1944), the Surplus Property Board (proposed by H. R. 5125, which is awaiting the President's approval), the Surplus War Property Administration (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration; makes provision for the Director of War Mobilization and Reconversion; provides for termination of war contracts when war needs have been satisfied unless the Office of War Mobilization finds that the continuation of the work will benefit the Government or is necessary to avoid substantial physical injury to a plant or property; provides for Federal advances to State unemployment funds, if they become impaired, for unemployment insurance until June 30, 1947; authorizes the Federal Works Administrator to make loans or advances to States to aid in financing public-works planning; and provides for the termination of this act on June 30, 1947.  
Sen. George, Ga., announced that the provision for the transportation of war workers and for unemployment compensation for Federal employees were finally eliminated in order to inaugurate the general program (p. 8005).

#### HOUSE

9. FORESTRY. Rep. Barrett, Wyo., criticized the method by which the land now in the Jackson Hole National Monument was acquired and the administration of this area by the Department of Interior (pp. 8066-8).
10. PERSONNEL; DEMOBILIZATION. Rep. Taber, N. Y., announced the release of the President's letter to the Budget Bureau (see last item in Digest) and urged immediate reduction in the number of Federal employees, stating, "What we need is action by the Budget now to get rid of these surplus employees and get them off the pay roll and back into productive employment while there is a shortage of labor" (p. 8061).  
Rep. Dworshak, Idaho, criticized the President's recommendation, in his letter to the Budget Bureau, that "action must be deferred until after the termination of hostilities," and inserted figures giving the number of Federal



utmost sincerity. Whatever blame there may be for failure to call up the joint resolution, as I announced was my intention to do, is mine. I assume responsibility for it. By making such a statement, Mr. President, I do not by any distortion of words mean to say that I am associating myself with the leadership of the minority side of the Senate or with the leadership of the majority side of the Senate. I am here to speak as one who, with my fellow Senators, introduced the joint resolution. The action which was taken was mine. It was not taken at the request of anyone else, and, in closing, I merely say that I am confident that no one else, especially outside the membership of the Senate, would dare to approach me with such a suggestion.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 268) to provide for the reappointment of Harvey N. Davis and Arthur H. Compton as members of the Board of Regents of the Smithsonian Institution, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 312. An act for the relief of Freda Utley;

H. R. 527. An act for the relief of Mary Hertz;

H. R. 1434. An act for the relief of Anna M. Kohler;

H. R. 1623. An act to amend an act entitled "An act to provide fees to be charged by clerks of the district courts of the United States," approved February 11, 1925 (43 Stat. 857), as amended (28 U. S. C. secs. 548-555);

H. R. 1680. An act to amend the Nationality Act of 1940 to permit the Commissioner to furnish copies of any part of the records or information therefrom to agencies or officials of a State without charge;

H. R. 1708. An act for the relief of Perley M. Silver;

H. R. 2134. An act for the relief of Paul Szeliga;

H. R. 2387. An act for the relief of John Salih;

H. R. 2390. An act for the relief of Joseph Scarpella and Dorothy Scarpella;

H. R. 2509. An act for the relief of Marie Engert;

H. R. 2697. An act to provide for the disposal of materials or resources on the public lands of the United States which are under the exclusive jurisdiction of the Secretary of the Interior;

H. R. 2792. An act for the relief of Arvo Karl, Lempi K. Holm, and Burt Johnston;

H. R. 3033. An act for the relief of Tressie Spring and Mrs. Hazel Stutte;

H. R. 3038. An act for the relief of Mrs. Grace Page;

H. R. 3296. An act for the relief of R. Guy Dorsey;

H. R. 3384. An act to authorize the Secretary of the Interior to accept property for the Moores Creek National Military Park, and for other purposes;

H. R. 3464. An act for the relief of Ralph W. Cooley;

H. R. 3496. An act for the relief of Ernest A. Grottko;

H. R. 3722. An act to amend section 342 of the Nationality Act of 1940 in respect to fees for the issuance of certificates of arrival;

H. R. 4257. An act to expatriate or exclude certain persons for evading military and naval service;

H. R. 4271. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad; and

H. R. 5025. An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War No. 2.

#### DISPOSAL OF GOVERNMENT SURPLUS PROPERTY—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Surplus Property Act of 1944.'"

#### "OBJECTIVES

"SEC. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

"(a) to assure the most effective use of such property for war purposes and the common defense;

"(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

"(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

"(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

"(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

"(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

"(g) to encourage and foster post-war employment opportunities;

"(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

"(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

"(j) to avoid dislocations of the domestic economy and of international economic relations;

"(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

"(l) to effect broad and equitable distribution of surplus property;

"(m) to achieve the prompt and full utilization of surplus property at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from

dislocation resulting from uncontrolled dumping;

"(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

"(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

"(p) to foster the development of new independent enterprise;

"(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

"(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

"(s) to dispose of surplus Government-owned facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

"(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

#### "DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'Government agency' means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

"(b) The term 'owning agency', in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property, otherwise than solely as a disposal agency.

"(c) The term 'disposal agency' means Government agency designated under section 10 to dispose of one or more classes of surplus property.

"(d) The term 'property' means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'surplus property' means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

"(f) The term 'contractor inventory' means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obliged to take over under any type of contract as a result of any change in the specifications or plans thereunder.

"(g) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.



"(h) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(i) The term 'State' includes the several States, Territories, and possessions of the United States, and the District of Columbia.

"(j) The term 'tax-supported institution' means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

"(k) The term 'veteran' means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged, or released therefrom under honorable conditions.

#### "DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

"SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

#### "SURPLUS PROPERTY BOARD

"SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the "Board"), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.

"(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

#### "DUTIES AND AUTHORITY OF BOARD

"SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

#### "COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

"SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

#### "DELEGATION OF AUTHORITY

"SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency, by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

#### "REGULATIONS

"SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

"(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

"(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

"(d) Regulations prescribed under this Act shall be published in the Federal Register.

#### "DESIGNATION OF DISPOSAL AGENCIES

"SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

"(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

#### "DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

"SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

"(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

"(c) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the agency deems consistent with national security.

"(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have

responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.

"(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

"(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

"(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

#### "UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

"SEC. 12. (a) It shall be the duty of the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act.

"(b) It shall be the responsibility of all Government agencies, in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever in its judgment, they are not so doing.

"(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Board, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### "DISPOSAL TO LOCAL GOVERNMENTS AND NON-PROFIT INSTITUTIONS

"SEC. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

"(1) (A) Surplus property that is appropriate for school, classroom, or other educational use may be sold or leased to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held ex-



empt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(2) Surplus property shall be disposed of so as to afford public and governmental institutions, non-profit or tax-supported educational institutions, charitable and eleemosynary institution, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

"(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until 30 days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such 30-day period) and an attempt has been made within such 30 days to dispose of such property otherwise than by destruction.

"(c) No airport and no harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Board, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.

"(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this act is useful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than 1 year, or otherwise disposed of, except as provided in section 12 or this section, unless specifically authorized by act of Congress.

"(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political sub-

divisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

"(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act except transfers under section 12.

#### "DISPOSITION BY OWNING AGENCY

"SEC. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

"(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

"(1) any property which is damaged or worn beyond economical repair;

"(2) any waste, salvage, scrap, or other similar items;

"(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; which does not consist of strategic minerals and metals, as defined in section 22.

"(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

#### "METHODS OF DISPOSITION

"SEC. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: *Provided, however,* That in the case of raw materials, consumer goods, and small tools, hardware and nonassembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

"(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

#### "DISPOSITIONS TO VETERANS

"SEC. 16. The Board shall prescribe regulations to effectuate the objectives of this Act to aid veterans to establish and maintain their own small business, professional, or

agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this Act in the acquisition of the types of surplus property useful in such enterprises.

#### "DISPOSITIONS IN RURAL AREAS

"SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

#### "SMALL BUSINESS

"SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

"(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.

"(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.

"(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.

"(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale, subject to regulations of the Board, to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it. The provisions of subsections (a) and (c) of section 12 shall be applicable to purchases made by the Smaller War Plants Corporation under this subsection.

"(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.



## "DISPOSAL OF PLANTS

"SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

"(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property;

"(B) Outlining the economic problems that may be created by disposition of the property;

"(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

"(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

"(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.

"(d) The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

"(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

## "APPLICABILITY OF ANTITRUST LAWS

"SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the

Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

## "DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

"SEC. 21. (a) Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

"(b) The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

"(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or products thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: *Provided*, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

## "STOCK PILING

"SEC. 22. (a) All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions: *Provided*, That contractor inventory shall be so transferred only when the owning agency has taken possession of and determined such inventory to be surplus. The minerals and metals may be transferred in any form in which they are held, but the owning agency or the Treasury Procurement Division is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms best suited for storage and use for the common defense. As used in this section the phrase 'strategic minerals and

metals' means copper, lead, zinc, tin, magnesium, manganese, chromite, nickel, molybdenum, tungsten, mercury, mica, quartz crystals, industrial diamonds, cadmium, fluor-spar, cobalt, tantalite, antimony, vanadium, platinum, beryl, graphite (and to which may be added aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board may determine to be necessary for the stock pile authorized by the Act of June 7, 1939), and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

"(b) Pending a determination by the War Production Board that the supplies of the respective strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency subject to the regulations prescribed by the Surplus Property Board shall withhold from transfer under this section an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of six months for purposes other than war production; and may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price of the respective minerals and metals.

"(c) Any Government-owned accumulations of strategic materials shall, at the request of the War and Navy Departments, be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The materials may be transferred in any form in which they are held and they shall thereafter be put into forms best suited for storage and use for the common defense. The term 'strategic materials' as used in this subsection means all materials except strategic minerals and metals as defined in subsection (a) of this section and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but shall not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof. The Army and Navy Munitions Board is authorized to direct the removal from the list of any of the materials as defined in this subsection, in which event they shall be disposed of under the provisions of this Act.

"(d) Within three months following the enactment of this Act the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held in the stock pile authorized by the Act of June 7, 1939. After one year from the submission of such recommendations, unless the Congress provides otherwise by law, the Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to this Act.



#### "DISPOSAL OF SURPLUS REAL PROPERTY"

"Sec. 23. (a) As used in this section—

"(1) The term 'real property' means property consisting of land, together with any fixtures and improvements thereon, located outside of the District of Columbia, but does not include war housing, industrial plants, factories, or similar structures and facilities, or the sites thereof, or land which the Board determines is essential to the use of any of the foregoing; and

"(2) The term 'surplus real property' means real property which has been determined under section 11 to be surplus property.

"(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

"(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time.

"(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of 90 days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.

"(B) In the case of real property acquired by any Government agency after December 31, 1939, which either—

"(i) has not been determined under section 11 to be surplus property, or

"(ii) has been disposed of under section 12 or 13, or

"(iii) is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A),

"the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.

"(2) In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.

"(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value

of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

"(4) The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privilege conferred by this subsection.

"(e) If any surplus real property is not disposed of under subsection (d)—

"(1) such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and

"(2) such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.

"(f) (1) Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.

"(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board shall prescribe the time within which application shall be made and shall give such notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

"(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

"(h) A certificate by the disposal agency that the provisions of subsections (d), (f), and (g) have been complied with in the case of any property and that no qualified applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

"(i) In the case of surplus real property which is classified as suitable for agricultural

use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (e) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

"(j) In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

#### "REPORTS TO CONGRESS"

"Sec. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

#### "TITLE OF PURCHASE"

"Sec. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.

#### "CIVIL REMEDIES AND PENALTIES"

"Sec. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

"(b) Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agreement, combination, or conspiracy to do any of the foregoing—

"(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

"(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to



the United States or any Government agency; or

"(3) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall return as liquidated damages any consideration given to the United States or any Government agency for such property.

"(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

"(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

#### "PRACTICE BY FORMER EMPLOYEES

"Sec. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.

#### "STATUTE OF LIMITATIONS

"Sec. 28. The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

#### "MISCELLANEOUS PROVISIONS

"Sec. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.

#### "DISPOSITION OF PROCEEDS

"Sec. 30. (a) All proceeds from any transfer or disposition of property under this Act should be covered into the Treasury as mis-

cellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

"(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

"(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

"(e) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.

#### "USE OF APPROPRIATED FUNDS

"Sec. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

"(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

"(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

#### "DISPOSITIONS OUTSIDE UNITED STATES

"Sec. 32. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

"(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, its Territories and possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

#### "RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

"Sec. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the im-

portation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

"(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

#### "SAVING PROVISIONS

"Sec. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

"(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, as amended, respecting war housing and facilities; the act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

"(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

#### "TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

"Sec. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

#### "TERMINATION INVENTORIES

"Sec. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

"(b) In advance of termination, to the maximum extent practicable—

"(1) each contracting agency shall advise its war contractors of the classes of termina-



tion inventory the contracting agency will wish to retain for military purposes; and

"(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

"(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

"(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

"(e) For the purposes of this section, the terms 'contracting agency', 'termination inventory', and 'war contractor' shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

#### "INCREASE IN LOAN RATE ON COTTON

"SEC. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out 'at the rate in the case of cotton of 92½ per centum' and inserting in lieu thereof 'at the rate in the case of cotton of 95 per centum'.

"(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

#### "EXPIRATION DATE

"SEC. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term 'date of the cessation of hostilities in the present war' means the date proclaimed by the President as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such cessation, whichever is the earlier.

#### "SEPARABILITY OF PROVISIONS

"SEC. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

And the Senat. agree to the same.

Amend the title to read as follows: "An Act to aid the reconversion from a war to a peace economy through the distribution of Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes."

ELBERT D. THOMAS,  
EDWIN C. JOHNSON,  
LISTER HILL,

ALBERT B. CHANDLER,  
By E. C. J.,

WARREN R. AUSTIN,  
CHAN GURNEY,  
CHAPMAN REVERCOMB,

*Managers on the part of the Senate.*

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILL M. WHITTINGTON,  
CHARLES L. GIFFORD,

By C. M.,  
GEORGE H. BENDER,  
By C. M.,

*Managers on the part of the House.*

Mr. SHIPSTEAD rose.

Mr. JOHNSON of Colorado. Mr. President, I understand the senior Senator from Minnesota must leave shortly in order to take a train and desires to have the floor for a few minutes.

Mr. SHIPSTEAD. That is true, Mr. President, and I apologize to the Senate for interrupting the Senator and for having to leave in order to take a train.

Mr. JOHNSON of Colorado. Mr. President, I yield to the Senator from Minnesota.

Mr. WHERRY. Mr. President, am I to understand that the distinguished Senator from Colorado will not ask for consideration of the conference report until after the Senator from Minnesota has completed his remarks?

Mr. JOHNSON of Colorado. That is correct.

#### AMERICAN FOREIGN POLICY SINCE 1932

Mr. SHIPSTEAD. Mr. President, from time to time during this session, and the first session of the Seventy-ninth Congress, I intend to discuss, from various points of view, the foreign policy of the United States. I am going to take up the relation between the powers of Congress, and those of the President, with regard to foreign affairs. I am going to review the foreign economic policy of this country, particularly in the two decades during which I have been a member of this body and of its Committee on Foreign Relations. I shall take up our record in each of the fields mentioned, and in others as well. I shall discuss those questions in a nonpartisan spirit. I am fully aware that ever since 1899 our foreign policy has been a severance from the traditional policy which was inaugurated by President Monroe and followed down to that time. That traditional policy has been violated not only by Republicans but by Democrats as well. So I wish to assure Senators that I shall try to discuss those matters objectively. At some future time I shall go further back into history than I expect to go today, because we are confronted now with certain problems in connection with the war.

This afternoon, I propose to discuss the proposition that Mr. Roosevelt's experience and his knowledge of foreign affairs, and his skill in handling foreign policy, make his indefinite tenure of office indispensable. What I am going to say is submitted in order to get the real issue squarely before this body, where some grave decisions will have to be made within the next year or two.

There is one feature of this war which makes it unique in history. The states with which we are at war have achieved their military might and force only since 1933. Twelve years ago, Europe was at peace. Germany was not a military power in any sense of the word. German armament was still restricted, and German armies were no overpowering threat to her neighbors. Economic unrest and unemployment disturbed Europe, but the menace of war was remote.

There was war in Asia. Japan had commenced her seizure of Manchuria within a few weeks of the suspension of convertibility of the pound sterling by the Bank of England in September 1931.

Japanese aggression on the mainland was still in progress when the great year 1933 began. But Japanese military resources were as yet limited. The mineral resources of the mainland had not been organized. Doubtless the plans existed in the files of the Japanese Army and Navy staffs for the upbuilding of a great military establishment. Such plans exist in the files of nearly all such staffs. But, in Japan's case, their realization called for the importation of vast quantities of petroleum, iron ore, scrap iron and steel, and many other commodities, and their fabrication. The funds to buy these things had to be earned by extensive trade, liberal credit, and over a long period. In 1932, Japanese conditions were anything but favorable to large-scale importation of expensive raw materials from abroad. Japan had no exchange.

In order to show the state of the economy of Japan in 1932, I quote from Ambassador Joseph Grew's report to the Secretary of State, August 13, 1932, published by the Department of State, in War and Peace, page 174:

The internal economic and financial situation in Japan is serious and may become desperate. The plight of the farmers is very bad, many industries are at low ebb, unemployment steadily increasing. Money cannot be obtained from abroad. It will become increasingly difficult to obtain domestic loans. Meantime, millions of yen are being squandered to support the Manchurian venture, of which the eventual economic advantage is highly problematical; and when the full purport of these expenses becomes known to the people, in their own serious deprivation, there is no telling what effect it will create.

At the end of 1932 Japan was a third-rate power, hampered by economic distress, barely able to carry on her predatory operations on the mainland in a limited and intermittent fashion. Germany was undergoing a severe depression, with political agitation seething month in and month out. War on a great scale existed nowhere, not even in east Asia.

A conference for the economic pacification of Europe was soon to be held in London. The mistakes of a dozen years were to be reviewed by responsible men, disposed to cooperate in repairing the damage. Economic balance was to be restored to Europe, to the whole world. The limitation of armament, discussed in halting and distrustful fashion during the preceding 4 or 5 years, was to be taken up resolutely and frankly.

I do not expect this afternoon to review the Life and Adventures of the London Economic Conference of 1933, which I prefer to take up on another occasion in connection with monetary policy, stabilization funds, and similar aspects of our foreign economic policy. I merely call attention to the fact that in the first half of 1933 the chief aspect of the world's affairs which interested the people of all countries was economic, and they were all looking forward to a great advance in the process of getting rid of the worst of the many burdens left by the war which ended in 1918.

At the beginning of 1933 the United States was the most important economic and financial power on the face of the



earth. It is true that we were hard-pressed by widespread destitution and lack of employment. These things were deplorable, but they were the result of internal factors in sharp conflict with each other. The depression which came at about that time was an aftermath of the financing of World War and the production incident to the World War, and it came as a climax to bad policies which had been pursued. Compared to the rest of the world, the United States was the foremost financial power. Our economic policies, as to tariffs, wage levels, immigration, and credit, affected every country in the world. No country could move very far in any direction 11 or 12 years ago without considering how far its action would be affected by the policies of the United States. It would be natural to suppose that this great financial and economic power would be used to assure world peace. It would be equally natural to suppose that the mighty leverage of the war debts of 1917-19 would be used to enforce world-wide limitation of armament. When Mr. Roosevelt entered upon his duties, the United States, as the world's chief creditor, and one of its principal suppliers, was in a position to see to it that no unbridled militarism should becloud the horizon during the period of economic reconstruction at home and abroad.

Yet, in just the following half-dozen years the remilitarization of Germany took place. In precisely the same period, from 1933 to 1939, Japan emerged from her desperate straits of 1932 to become the war lord of greater East Asia. Where was the vast experience, and knowledge of foreign affairs, and skill in handling them, of Mr. Roosevelt while all this was going on? What, concretely, did we do to help or hinder this sudden conversion of a nightmare into a hideous reality?

Mr. Roosevelt's policies have been of great importance in the terrible changes that have come over the world since 1932. The diplomacy of the United States, the greatest economic and financial power on the face of the earth, has had decisive influence both in European and Asiatic affairs, in one development after another. Mr. Roosevelt's declaration of June 15, his "great design," as revealed in the articles by Forrest Davis—Saturday Evening Post of May 13 and 20, 1944—and the several statements which have been given out in connection with the security conference at Dumbarton Oaks make it clear beyond question that he expects to continue and increase his influence, as one of a council of three men who are to dominate the world. In the "pursuit of peace"—if I may quote his expression—we are expected to rely primarily upon the armed forces of a world council dominated by the spokesmen of three great powers.

Mr. Roosevelt's conversion to this idea is quite remarkable, when we consider how greatly he contributed to the breaking up of the world organization which existed in 1932, in which Britain and France played leading roles. I am not here today to defend the League of Nations. But we must bear in mind that the League and its World Council were

devoted to the aims which Roosevelt now avows—at least it was so stated and avowed at the time—namely, the international organization of security, with powers that could be effectively used against an aggressor if the dominant powers in its Council should agree to such use. But when Mr. Roosevelt campaigned for the Presidency of the United States for the first time, in 1932, he came out emphatically against the League of Nations—this world organization within which larger nations were supposed to work absolutely in unison in preventing war.

In this case I want to give Mr. Roosevelt such credit as is due him for keeping this particular promise. He did oppose the League of Nations. And so tremendous was the weight of the United States in world affairs that his election in 1932 had immediate repercussions everywhere. It was accepted everywhere as assurance that the American Government would not support the League in international affairs. Even before he took office the chancelleries of the world were figuring the possibilities of this anti-League attitude. The German Reichswehr made their deal with Hitler, who became Chancellor. A few months later, Germany left the League of Nations when that body declined to acquiesce in Hitler's remilitarizing of Germany. The Japanese, resentful of the League's condemnation of Japan's brutal aggressions in China, and now assured that the American Government would not side with the League, also withdrew from the organization. Nothing but a shell was left of this attempt at international organization.

But Mr. Roosevelt's notable reversal of policies with regard to world organization during the past 12 years is only one of many serious moves and reversals. I call attention to a speech by Robert A. Lovett, Assistant Secretary of War for Air, before the wartime conference of the National Association of Broadcasters, at Chicago, on August 29:

We must know by now what it means to mankind to allow gangsters to build up and command a modern air force. This has provided us with the costliest education in all history.

What Mr. Lovett says of air force is equally applicable to naval and land force. Why did the coalition government in England sit quietly by, refusing to join France and Italy when those powers sought to compel Germany, by force if necessary, to desist from rearmament? Why did the coalition government of England hasten to make a naval agreement with Germany which put the seal of respectability upon everything the German Government was doing? No "quarantine speech" was made in June 1935, nor made at all until 28 months later, just at the time when another Prime Minister in England was undertaking to repair the mischief his predecessors had caused, by reconstructing Anglo-Franco-Italian unity with respect to Germany. Our Secretary of State solemnly upbraided the downtrodden and terrorized Austrians the other day for not rising before now against their Nazi tyrants. This utterance is almost fantastic when we recall that not one

word was publicly uttered by this same official or his chief when Nazi gangsters murdered the Austrian Prime Minister in 1934, or when they kidnaped his successor 4 years later, in outrageous violation of all the laws of nations. Even if the Austrians had the means to start an insurrection, what help could they reasonably expect from the United States, which was one of the first powers to recognize formally the extinction of Austrian independence, and to accept the incorporation of Austria in greater Germany? Did Mr. Roosevelt or his Secretary of State lift a finger to influence Great Britain's policy on the Continent while Mr. MacDonald, Sir John Simon, Lord Baldwin, and Sir Samuel Hoare were running British foreign policy? Is there any sign that the immense financial and economic power of the United States was used in any way to head off the ruinous race of rearmament and war?

When, in consequence of personal intrigue, Sir Samuel Hoare was forced from office, and Mr. Eden replaced him, did our influence with the British Government contribute to bring about peace on the Continent? Were we pulling wires to make certain that the new Prime Minister, Mr. Chamberlain, should not work out arrangements for a common policy between Great Britain, France, and Italy? From the autumn of 1937 on, an increasing influence in shaping the policy of Britain was exerted by Mr. Roosevelt, through official, unofficial, and personal channels, British and American. Was it directed to check the militarists and imperialists of Berlin?

These are questions which historians will one day answer. I am convinced that their unanimous verdict will place the great responsibility for the unrestrained rise of German military power upon at least one man whose experience, knowledge, and skill are now represented to his fellow citizens as indispensable to their salvation. All the warnings were disregarded. Military observers furnished reports which were scoffed at, or, at best, filed away. George Messersmith, now Ambassador in Mexico, was Consul General in Berlin in 1933. Here is what he reported on June 26, 1933, as published in the Department's Peace and War monograph:

The Department must be exceedingly careful in its dealings with Germany as long as the present Government is in power as it has no spokesman who can really be depended upon and those who hold the highest positions are capable of actions which really outlaw them from ordinary intercourse.

What they want to do, however, definitely is to make Germany the most capable instrument of war that there has ever existed. \* \* \* If this Government remains in power for another year and carries on in the same measure in this direction, it will go far toward making Germany a danger to world peace for years to come. \* \* \* What I do want to say really is that for the present this country is headed in directions which can only carry ruin to it and will create a situation here dangerous to world peace.

So our State Department knew these things in 1933. The French Government also knew them, as well as the British Government and every other govern-



ceiling on hogs should be \$16.65, and I submit that the farmers are richly entitled to this price. Instead of \$16.65, the farmers are asked to submit to a \$14.75 ceiling for hogs weighing 180 to 240 pounds and only \$14 for the hogs exceeding 240 pounds. The 13 to 1 ratio would indicate that at present corn prices the average which farmers should receive for all weights of hogs would be \$15.20. Compare that with the \$13.75 average drove cost which is recommended by the War Food Administration and the \$14 ceiling for heavyweight hogs which the Office of Price Administration is insisting on.

I wonder if we in the Senate believe that the hog producers of this country should be given such shabby treatment.

When Government officials begged and pleaded with farmers to increase the production of hogs in order to help save England from starvation, and in order to make it possible to win the war, pork producers responded by performing one of the greatest production feats of the war. They increased pork production even beyond the volume asked by the Secretary of Agriculture. When they came to market the tremendous crop of 1943, they did not receive prices which the Government assured them they would receive if they increased the production of pork. Conditions in the hog market during the period of heavy receipts amounted almost to a national scandal. The Government asked farmers to make their hogs heavy so that more pounds of pork would be available for our armed forces and for our gallant allies. What happened? Countless farmers fed out their hogs to heavyweights and, when the time came to market them, they found their markets embargoed. For weeks thousands of pork producers held their hogs at home because there was no market outlet available, and when finally they were able to market them after prolonged feeding of high-priced corn, they found that the hogs had acquired enough additional weight to put them beyond the weight bracket on which a minimum price was guaranteed, and they took what the market would pay. Furthermore, I am informed on reliable authority that some meat packers deliberately refused to bid on hogs in the support bracket and filled their requirements from lightweight and heavyweight hogs, the prices of which were not supported. In the meantime, the bracket weight hogs were held over in the stockyards day after day, losing weight, many of them dying, and their average quality rapidly deteriorating. How many millions farmers lost as a result of the chaotic conditions in the hog market no one can estimate.

After going through all that, the hog producers are asked now to submit to floor prices which are entirely inadequate and ceiling prices which certainly are unjust to the producer.

I submit that the hog producers of this Nation are entitled to better treatment than they are about to receive at the hands of the Office of Price Administration.

Farmers have done their part magnificently in meeting the food problem, in

spite of grossly inept handling of the situation by Government. The administration has gone from one extreme to the other. First they wanted every last pound of pork that could be produced, and they used every device of publicity and exhortation to get farmers to make their hogs heavy. Then they became frightened about the feed situation and demanded lighter hogs. Then they decided that pork production must be reduced, and they slashed the price floor.

In the latter instance, I am certain in my own mind that they have gone too far. The U. S. D. A. crop estimates for 1944 indicate huge crops of wheat and feed grains almost coincidentally with the lowering of the floor price of hogs. I feel sure that drastically curtailed hog production which is now certain for next year will mean huge surpluses of grain and shortages of meat. Thus we go from one extreme to the other, bewildering the farmer and upsetting normal relationships of price and supply. Tampering with long-established forces which tend to keep supply and demand in balance has brought great regional hardships for feeders of all classes of livestock. Experience during the past 2 years should have been enough to convince all the administrators of these programs that economic laws must be handled with careful consideration of realities and not in theory only. If food prices were high in relation to wages, I am sure that farmers would not generally complain; but when the Bureau of Labor Statistics assures us that food was never cheaper, in relation to wages, then I think that the farmers have just cause for complaint.

I am certain that many farmers believe that the entire meat program, with all of its consumer subsidies, roll-backs and rationing, has played into the hands of the meat packers. Packers have been assured of the subsidy on all the pork they handle, provided they pay support prices only on the bracket hogs, namely, those falling within the 180- to 240-pound bracket. We can see clearly how the system worked to the advantage of the packers. They bought non-bracket hogs to fulfill their requirements as nearly as possible, and they let the 180- to 240-pound hogs stay in the pens until they got ready to bid on them. Can anyone blame farmers for their resentment toward that type meat program?

When we examine the substance of the farmers' demands, we find that they are simply asking that the provisions of the Stabilization Act of 1944 be fully carried out. Are we going to take the stand that the law directing the executive department to do certain things is nothing but empty words? Let me call your attention to another provision of the same act. It consists of a new paragraph which was added to section 3 of the Stabilization Act of 1942. It reads as follows:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard

(applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

That is the law. You will note that the law specifically states that the taking of any other action which will not reflect to producers the price as set forth in the law is an unlawful action. It is hard to conceive of stronger language than has been used in this paragraph. The intention of Congress is clear. The duty of administering the law in accordance with congressional intention is clear. What are we going to do about it?

#### DISPOSAL OF GOVERNMENT SURPLUS PROPERTY—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. JOHNSON of Colorado. Mr. President, several hours ago I sent to the desk a conference report from the Senate Military Affairs Committee on the problem of surplus-property disposal. The conference report was signed by all members of the conference committee. I do not believe that any of us were entirely satisfied with all its provisions, but after nearly 3 weeks of conferences on the subject we found there was only one way in which to arrive at a conference report, and that was for us to give way here and there. In doing so we arrived at a conclusion of our work.

In working out the provisions of the conference report I do not want any Senator to think that we made any trades. Each provision was decided upon its merits, and we did not say, for example, "Very well; we will accept this if you will accept something else." Every issue from beginning to end was determined on the basis of its merits.

The conferees were men of strong convictions. They were determined men. They were men who clung to their position with great tenacity. Three weeks were consumed in meetings from 10 o'clock in the morning until 5:30 in the afternoon; and finally last Friday at 9:30 o'clock in the evening we arrived at an agreement, and all the members of the conference signed the report.

Mr. President, when the bill was before the Senate it was debated at length, and every Senator had an opportunity to take a position with respect to it and say what he had to say. Many amendments were accepted on the floor of both the Senate and the House. The Senate conferees did their best to uphold the position of the Senate with respect to the floor amendments. We met with some success. We lost some of the amendments, but for the most part we were able to prevail upon the conferees to retain the Senate proposals in the conference report. I shall refer briefly to some of the amendments which were offered on the floor of the Senate.



As will be recalled, there was the McKellar amendment, the so-called anti-profiteering amendment. In conference it was considerably modified, but provisions against profiteering have been retained.

There was the Aiken amendment with respect to power lines and rights-of-way. The amendment was retained in the bill in practically the same language in which it was offered upon the floor.

There was the so-called Hayden amendment with respect to returning streets and highways to the original owners. The amendment was retained in the bill practically as it was agreed to on the floor.

There was the so-called Langer amendment which provided for jeeps and trucks to be furnished to farmers. While it was modified considerably, it was also retained in the bill in section 17 on page 9. Representatives of the triple A came to us and said that the language as it was adopted on the floor was not satisfactory inasmuch as it made the triple A a disposal agency, and therefore they asked that the Langer amendment be modified in the form in which the conferees have framed it.

There was also the Ellender amendment with regard to airports and harbors, the Downey amendment with regard to priorities of purchase which were given to the States, their subdivisions and their municipalities, and the La Follette amendment, all of which, or at least modifications of their amendments, will be found in the bill.

Mr. CHAVEZ. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Colorado yield to the Senator from New Mexico?

Mr. JOHNSON of Colorado. I yield.

Mr. CHAVEZ. With reference to the La Follette amendment, I understand the junior Senator from Colorado to say that that amendment, which purported to take care of municipalities and either State, county, or district governments, is included in the conference report.

Mr. JOHNSON of Colorado. Yes; it is, in substance. I call the Senator's attention to section 13 (a) of the conference report bill.

Mr. BARKLEY. Mr. President, will the Senator from Colorado yield for a moment, although I do not wish to interrupt the sentence?

Mr. JOHNSON of Colorado. I yield.

Mr. BARKLEY. A moment ago the Senator was talking about the disposition of cars. Yesterday my attention was called to a rumor which has been floating around, as do many other rumors, to the effect that, with regard to the disposition of passenger cars, they were to be turned back to some syndicate which would have control of their sale to the public. Because of my absence at the time the bill was under consideration in the Senate, and in the fact that I have been occupied on another conference, respecting another bill, I have not been able to keep in touch with the details of the proposal now being discussed. Is there anything in the bill as reported by the conferees which deals with the disposition

of passenger cars as such, or are they separated in any way?

Mr. JOHNSON of Colorado. No; they are not separated in any way.

Mr. BARKLEY. They all come under the general direction of the board, if they are surplus property in the hands of any agency of the Government?

Mr. JOHNSON of Colorado. That is correct.

Mr. BARKLEY. They are to be disposed of under the authority of the board of three?

Mr. JOHNSON of Colorado. That is correct, and the bill does not provide for turning over anything to syndicates. It contains a provision against monopolies.

Mr. BARKLEY. I should certainly oppose such a provision as I have indicated, and I am satisfied the Senator from Colorado and other Senators would also. It was inconceivable to me that the conferees had brought in a report which carried a provision, or even permission of the law, to turn over perhaps thousands or hundreds of thousands of passenger cars to a syndicate, out of which the syndicate could make profit because they were on the inside. It would be incredible to me that anything such as that could happen, although I heard from a source which I know was sincere in the belief that it was about to happen that large numbers of passenger cars were on the verge of being turned over to a syndicate, or a number of syndicates, to be disposed of by them to the public.

Mr. JOHNSON of Colorado. The antimonopoly provisions of the bill would certainly not permit such a disposal as that, and there is no provision in the bill anywhere which, by any stretch of the imagination, can be interpreted to provide for such a disposal.

Mr. BARKLEY. I appreciate that. It may be merely one of those rumors which circulate around Washington.

Mr. O'MAHONEY. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator if he desires to follow up the subject just touched on by the Senator from Kentucky.

Mr. O'MAHONEY. Precisely. I think it might be well to call to the attention of the Senator from Kentucky, in connection with the report, the provisions of section 27 of the bill as reported by the conferees, which is found on page 17, and is designed to make it utterly impossible for any employee of the Government, or any former employee of the Government, to make any profit from the disposition of any surplus property.

Mr. BARKLEY. This rumor did not involve any employee of the Government.

Mr. O'MAHONEY. I am commenting because the Senator referred to insiders. Here is a clear provision intended to make it impossible for insiders of that category to participate in making any profit.

Mr. BARKLEY. I appreciate that, but the rumor related itself more to a suggestion that some outside syndicate, or a number of such syndicates, might be able to get possession of these cars through disposition by the different departments, and in that case, of course, unless the Price Administration should be

continued, so as to be able to regulate prices, the public would be at the mercy of such a syndicate which might get any large number of these cars.

Mr. JOHNSON of Colorado. The anti-speculation provisions and the anti-monopoly provisions I am sure will take care of that point.

Mr. AIKEN. Will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. Does the Senator from Vermont wish to discuss the point just raised?

Mr. AIKEN. I wish to ask whether there is anything in the bill as it is now written which would preclude a group with plenty of money getting together and purchasing 5,000 passenger cars, if they were available, and where speculation begins and legitimate purchase and resale leaves off?

Mr. JOHNSON of Colorado. I think that sort of procedure would be entirely contrary to the objectives and purposes of the bill. While it does not in so many words prohibit that kind of a transaction, I am sure that the whole spirit of the bill is contrary to such disposition.

Mr. President, I should like to read a paragraph on page 9, section 18, in regard to small business. It reads:

SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

I might proceed and quote from many other provisions of the bill which would bear out my contention that there is no such provision in the bill.

On page 5, in section 11, paragraph (e), it is prescribed:

(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

Then there are provisions against speculation.

Mr. AIKEN. The board should understand that it is definitely the intent of Congress that they shall not sell to groups of speculators when the sales could be made through the regular channels of trade to retail dealers and other smaller concerns.

Mr. JOHNSON of Colorado. Yes. The board is instructed to adhere to the objectives of the bill which are written into the bill itself.

Mr. AIKEN. Then, if the board sold to speculators, it would clearly violate the intent of Congress?

Mr. JOHNSON of Colorado. That is correct; it would violate the spirit of the act.

Mr. CHAVEZ. Mr. President—

Mr. JOHNSON of Colorado. The Senator from New Mexico has a question in regard to the so-called La Follette amendment.

Mr. CHAVEZ. Will the Senator yield to me for a question?

Mr. JOHNSON of Colorado. Certainly.

Mr. CHAVEZ. I notice that on August 25 the La Follette amendment was



adopted by the Senate. The amendment is as follows:

The Board may provide, by regulation for reserving for sale or lease to States, political subdivisions thereof, including municipalities, and to tax-supported institutions, such amounts of surplus property as the War Production Board finds necessary to meet their essential needs.

The question is, Is that amendment in the bill now, or is the matter left to the board to decide as an administrative proposition?

Mr. JOHNSON of Colorado. The amendment is not in the bill in that exact language, but it is in the bill in even stronger language than that the Senator has read. Let me quote now from the bill, page 6, section 13 (a):

SEC. 13. (a) The board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made.

Then, couple that with the language on page 8, paragraph (f):

(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act except transfers under section 12.

Section 12 pertains to Federal agencies.

Mr. CHAVEZ. That answers the question. I thank the Senator.

Mr. JOHNSON of Colorado. The point was raised on the floor of the Senate, when the La Follette amendment was proposed, that States and their subdivisions, particularly counties and municipalities, had to work on budgets, and therefore they could not bid against business houses which were dealing on a cash basis, and that they would need a little more time. The conferees considered that complaint very carefully, and thought that the language which I have read in section 13 made it possible for States and their subdivisions to make their purchases. They were given priorities, and the board will have to work out the provisions so that the States will have sufficient time in which to act, because we recognize the fact that they are working on budgets and are not in a position to compete with cash dealers and traders.

Mr. AIKEN. Mr. President, will the Senator answer just one more question?

Mr. JOHNSON of Colorado. I will endeavor to do so.

Mr. AIKEN. It would appear to me that the R. E. A. cooperatives have been eliminated from this section of the act. Does the conference committee consider that they are properly covered in section 17, or are they simply eliminated?

Mr. JOHNSON of Colorado. Is the Senator from Vermont referring to section 17 or to section 12? Section 12 provides for the utilization of surplus property by Federal agencies, and Federal agencies are given priority in the purchase of surplus property.

Mr. AIKEN. Is the R. E. A. considered to be a Federal agency?

Mr. JOHNSON of Colorado. It is in the Department of Agriculture, and the Department of Agriculture is a Federal agency.

Mr. AIKEN. But each cooperative makes its own purchases. The cooperatives are local cooperatives. They may be advised by the Department of Agriculture or by the R. E. A. Federal agency, but that agency can make no purchases for them or secure any property for them.

Mr. JOHNSON of Colorado. No; they are not given the same status as States and their subdivisions or the Federal Government and its subdivisions, but under the provision dealing with smaller war plants, the Smaller War Plants Corporation could very well take care of them.

Mr. AIKEN. But the only place that I see where they are covered is in section 17.

Mr. JOHNSON of Colorado. That is correct.

Mr. AIKEN. Where it is provided that they are not to be deprived of the opportunity to purchase surplus property. The provision is:

SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property.

Mr. JOHNSON of Colorado. Yes; and then the proviso that follows.

Mr. AIKEN. But that is the only section of the bill which would carry any reference to the R. E. A. cooperatives, is it not?

Mr. JOHNSON of Colorado. Yes.

Mr. AUSTIN. My colleague's amendment is included.

Mr. AIKEN. That amendment applies only to constructed lines. It would not apply to material such as wire or insulators or transformers.

Mr. JOHNSON of Colorado. That is correct. The reference to cooperatives found in section 17 is the only reference to cooperatives in the bill. The difficulty is in selecting between cooperatives. There are a great many cooperatives. Most of them, I presume, are not organized for profit, and yet some of them are. At any rate the conferees left the cooperatives out of the bill, and placed them on the same plane, on the same level, and having the same opportunities, as other business.

Mr. AIKEN. It is assumed though that under section 17 they would be given at least an equal or perhaps a little better chance to purchase the surplus property?

Mr. JOHNSON of Colorado. Yes; the farm cooperatives.

Mr. AIKEN. Because that is the purpose of section 17.

Mr. JOHNSON of Colorado. Yes. Section 17 pertains to farm cooperatives. That is correct.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. JOHNSON of Colorado. Yes.

Mr. VANDENBERG. What happened to the amendment which I submitted particularly on behalf of the automotive industry, seeking to instruct the cancellation agencies, so far as practicable, to identify in advance the determination of inventories which are to become surplus at the time of cancellation?

Mr. JOHNSON of Colorado. That is to be found in section 36, page 20.

Mr. VANDENBERG. Does it remain substantially in the bill as submitted by me?

Mr. JOHNSON of Colorado. Yes. I do not think the language has been changed very much from that submitted by the Senator.

Mr. VANDENBERG. I should like to ask the Senator one other question while I have his attention?

Referring to the substitution of a three-man administrative head for this organization in place of a one-man head. I noticed an editorial in the Washington Post this morning which said flatly that inasmuch as that ran counter to the recommendations of Mr. Clayton, and inasmuch as Mr. Clayton had said he could not continue to serve under the new relationship—

He—

Mr. Clayton—

was quite right, we think, interpreting the position taken by the Senate as a vote of no confidence in himself.

Mr. President, I happen to be one of those who think Mr. Clayton is a very able administrator in the position he has occupied. I happen to be one of those who had hoped that Mr. Clayton would continue. I do not subscribe to the "indispensable man" theory in any branch of the Government, but I think Mr. Clayton has demonstrated his unusual availability for this particular assignment. I should like to hear the Senator say, because I am sure it is so, that the action of the Senate, or its conferees, or the conference committee, is in no sense a vote of no confidence in Mr. Clayton; that there is nothing of the sort involved. Is not that true?

Mr. JOHNSON of Colorado. I am sure that it is. The letter which Mr. Clayton wrote was with respect to the proposal that there be created a board of four, with a tie vote to be broken by the Director of Mobilization, and also an administrator appointed by the President. Mr. Clayton pointed out that, in his opinion, such a plan would not be workable, and he stated that he was not interested in being connected with an organization of that kind. He was not talking about the three-man administrative policy-making board upon which the committee finally agreed upon.

Mr. VANDENBERG. Since the three-man board has been substituted nothing further has been heard from Mr. Clayton?

Mr. JOHNSON of Colorado. Yes; he was quoted in the press, and I presume correctly, that the provision was very much better—I think that was his language—or very much improved, something to that effect, by the change to a three-man administrative policy-making



board instead of having both an administrator and a board.

Mr. VANDENBERG. In other words, it might be that the final arrangement would not be so offensive to him that he would still decline to function if it should be the desire of the President to appoint him?

Mr. JOHNSON of Colorado. I should not think that the present set-up would be obnoxious to him at all.

Mr. VANDENBERG. In any event, the Senator has not said what I hoped he was going to say.

Mr. JOHNSON of Colorado. I cannot speak for the Senate; I cannot speak for the Senate conferees; I can speak only for myself. So far as I am concerned, I will say there was no effort to reflect upon Mr. Clayton in any way. I had no such intention and I heard a great many complimentary statements with respect to Mr. Clayton. I do not think the Senate is entirely unanimous on the question of Mr. Clayton. I think some of us feel that he took a rather arbitrary position in this matter. The House passed a bill which he approved from beginning to end. It backed the bill which he wrote. He seemed to think that that bill was the one which ought to be adopted in all its provisions. I do not think the Congress ought to be expected to build a bill around any man, whoever he may be. So I think that Mr. Clayton was talking a little bit out of turn, if I may be permitted to say so, in saying whether he would take this position or not before it had been offered to him and before the Senate could pass upon his confirmation.

Mr. VANDENBERG. That all well may be, but it is beside the point I am making. It will be extremely difficult to find a man as eligible as is Mr. Clayton to serve this tremendous responsibility. I should be unable to support the conference report if it were correctly asserted in the newspapers that I should be thus voting "no confidence" in Mr. Clayton. I will not vote "no confidence" in Mr. Clayton.

Mr. JOHNSON of Colorado. If the Senator places that kind of an interpretation on the conference report, it is most unfortunate, because the conference report contains no such condemnation, either by inference or in any other way. There is no reflection upon Mr. Clayton anywhere in the conference report, and I am sure that that is true of the position of the conferees personally, although I can speak for only one member of the conference committee.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'MAHONEY. Let me ask the Senator if, in his judgment, the decision of the Military Affairs Committee, which was followed by the Senate, namely, to support the idea of a board rather than a one-man administrator, would have been followed regardless of who the one man might have been.

Mr. JOHNSON of Colorado. Most certainly.

Mr. O'MAHONEY. I served on the committee which drafted the bill, although I was not a member of the confer-

ence committee. This is the situation, as I see it: The Senate Committee on Military Affairs was convinced that in a matter of such great importance, involving so much property of such great value, we should not establish a one-man control, but, rather, should establish a control more likely to be representative of the views and needs of all the people of the country, in all their economic and geographical groupings.

Mr. JOHNSON of Colorado. That is the reason why the Senate adopted the Board approach, rather than that of a one-man Administrator. There was no reflection upon any one man.

Mr. BARKLEY. Mr. President, will Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BARKLEY. As I stated awhile ago, I was not in a position to be present during the consideration of the bill in the Senate, and therefore I am not so familiar as I should like to be with its details and with the differences between the Senate version and the House bill.

From every standpoint of public service and personal relationship, I should regret to see the conference report, or any legislation which we might enact, interpreted as a vote of "no confidence" in Mr. Clayton. I fear that the editorial in the newspaper this morning went afield in saying that the proposed legislation was equivalent to a vote of "no confidence" in Mr. Clayton. We all know that administrators, even as high as the President of the United States, frequently recommend legislation which, in their judgment, is wise, but with respect to which Congress may have a different opinion. To change a bill from that which is recommended, even by so high an officer as the President, is never regarded as a reflection upon him, or as a vote of "no confidence" in the President.

I have known Will Clayton practically all his life. He started years ago as a young stenographer, about the time I started in the same capacity, at a very modest salary. He has been a very successful businessman. I regard him as a man of the utmost integrity. He does not need an office. He has no financial interest in retaining an office. When he came to Washington under the appointment of the Secretary of Commerce as Assistant Secretary of Commerce and the head of the lending agencies, he disposed of all his interests which would in any way conflict with his duties to the public in the various relationships which he held. I have the greatest personal admiration for his ability, integrity, and good faith. I may not always agree with him. I have not always agreed with him, and probably will not always agree with him hereafter in matters of public policy. But certainly, in my judgment, he is a man of the highest integrity, and of extraordinary ability in his administration of any public office. During World War No. 1 he came here under the appointment of President Wilson, and even a quarter of a century ago occupied a high and responsible position in the First World War economic organization.

I hope that this modified bill is not so contrary to Mr. Clayton's viewpoint as to the proper methods of administering surplus property as to preclude him from accepting responsibility under it. I certainly hope that that is not true. I make that statement with a background of long acquaintance with him and great personal confidence in his ability, integrity, and good faith as a public servant. I am sure that what the Senator says is true; namely, that in the minds of the conferees, other Members of the Senate, and Members of the House, regardless of any changes which may be made in the original bill as recommended by Mr. Clayton, the action of the Congress is not equivalent to a vote of "no confidence" in Mr. Clayton.

Mr. JOHNSON of Colorado. Mr. President, proceeding with the discussion of other amendments which were offered on the floor of the Senate, the so-called Bankhead amendment with regard to loan rates on cotton, found in section 37, on page 20 of the report, was kept in the bill intact.

The next amendment was the amendment offered by the Senator from Oklahoma [Mr. THOMAS]. He offered an amendment with respect to a most unfortunate oil-land situation in his State, which he explained to the Senate. While the Senate conferees were unable to persuade the House conferees to agree to the language submitted by the Senator from Oklahoma, we were permitted to cover the condition described with general language. In subsection (d) (1) (A) on page 13, and subsection (d) (3) on page 14, I think we have covered, in general language, the matter in which the Senator from Oklahoma was interested. I regret that we were not able to preserve the amendment in the language proposed by the Senator and agreed to by the Senate, but we did the very best we could with it.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. THOMAS of Oklahoma. I desire to make a very brief statement, and then ask one or two questions.

The case referred to is as follows: The Navy Department, in establishing training bases throughout the country, condemned a tract of land in Oklahoma embracing approximately 532 acres. The land was to be used as an auxiliary airfield for the training of Navy fliers at the Norman Naval Base.

About the time the land was condemned and the Navy took possession of it, an oil well was brought in close to this particular tract. Immediately the adjacent land was sought after by oil companies and others interested in the development of oil properties. The Navy Department saw that the land would become an oil-producing territory, and decided that it would not be feasible to continue the use of this tract with oil wells surrounding it, because oil wells involve the presence of derricks, which rise to a considerable height. If the trainees had to dodge oil derricks in making landings, the use of the land as an air field would not be feasible, of course; whereupon the Navy Department abandoned



the use of the tract, served notice on the House Committee on Naval Affairs that it was through with the land, and suggested that the land be disposed of as surplus land.

A bill was introduced in the House to direct the Secretary of the Navy to return the land to the original owners. The land had all been condemned. None of it had been sold voluntarily. Some of the farmers did not even accept their checks, because in their opinion the purchase price or the condemnation price was not sufficient to justify them in voluntarily accepting the awards.

The Navy Department appropriation bill when it was passed by this body last June, as I recall, contained an amendment directing the Secretary of the Navy to deed this property back to the original owners, who were farmers. The House conferees refused to accept the amendment, because they claimed it was legislation on an appropriation bill, and they were not favorable to approving Senate legislation on an appropriation bill. So the Senate conferees had to yield, and the amendment went out of the bill.

When the bill now pending came before the Senate recently, the same amendment was offered to the Senate bill. Again the Senate accepted the amendment, and it went to conference.

Now the chairman of the committee of conference explains why the Senate conferees had to give up the amendment and let it go out of the bill. But instead of accepting the concrete amendment directing the Secretary of the Navy to turn the property back to the original owners, the conferees have included some general language which I understand will apply not only to this tract but to other tracts as to which the circumstances might be similar.

On page 13, in section 23 (1), real property is defined. It is defined as land, in the main.

Under subdivision (2) the conference report defines surplus real property as real property which has been determined under section 11 to be surplus property.

Under subsection (c) there is a definition of surplus real property. It is defined as being agricultural, grazing, forest, or mineral lands.

Then, under subsection (d), there is the provision for the disposal of such property. The section provides, as I understand, that the Administrator or the Board, whichever the case may be—in this case the Board—is authorized to return the property to the original owners under one of two conditions: Either at the price which was paid for the land or, if the land has been damaged in any way by the Government, its present price shall be taken into consideration, and whichever is the lower is the price the farmer should pay in order to regain possession of the land.

In this case at Norman, or, more properly, at Moore, the Navy Department hauled and dumped on these farms a vast amount of gravel which, of course, is on the land. The farms on which the gravel has been placed are valueless unless the gravel is removed, and, of course, that

would entail vast expense. So that land has been definitely damaged.

As I understand, under the terms of the bill the Board will be authorized to turn the property back to the farmers, if they want it, at one of these two prices: Either the price at which the Government acquired the property or at the present sales price, allowing for any damage, if damage has been done.

The question is—and I direct this question to the Senator in charge of the bill—Does the Senator believe that the conference report, if adopted, will authorize the Board under the terms of the bill to deal directly with the original owners and to turn back the property under a conveyance—either a warranty or a quit claim—at either the price the Government paid for the property or at the price it is now worth, making allowance for any damage done by the Government?

Mr. JOHNSON of Colorado. That is correct, except for the fact that it is not authorized to do so, but is told or directed to do so. In other words, there will be no discretion in the matter.

Mr. AUSTIN rose.

Mr. JOHNSON of Colorado. I yield to the Senator from Vermont.

Mr. AUSTIN. I suggest one change in the formula. The provision about price is found on page 14 of the report, in subdivision (3), reading as follows:

(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the values of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

So there are three factors.

Mr. BARKLEY. Mr. President, I should like to ask the Senator whether that provision applies to all lands which have been taken by the Government in the establishment of training camps all over the country.

Mr. JOHNSON of Colorado. Yes; it applies to all surplus lands.

Mr. BARKLEY. As the Senator knows, in many sections of the country, and especially in my own State, some of the finest farming land in certain communities was taken for the establishment of such camps. I have in mind two camps for which the best land in the section concerned was taken because from the topographical standpoint and the physical standpoint it was most suitable for use in connection with the training of men. In one case 40,000 acres were taken, and in another case 36,000 acres were taken. Of course, if and when the camps are abandoned, that land will still remain farm land, and should be returned to the farmers who sold it to the Government, if they still want it. If they do not any longer want it, of course then it will be sold under other conditions.

What I am asking is whether this provision applies to all the lands taken, all over the country, for the establishment of training camps and other facilities which are regarded as more or less temporary.

Mr. JOHNSON of Colorado. That is correct, except that the Federal Government and its agencies and the State governments will have a priority ahead of the original owner, if they should happen to want it for some public purpose.

Mr. BARKLEY. Of course, if the Federal Government wants it, it simply keeps it.

Mr. JOHNSON of Colorado. That is correct.

Mr. BARKLEY. It does not have to have a priority, does it?

Mr. JOHNSON of Colorado. Oh, yes; it does. Because if it is declared to be surplus, and if some other agency wants it, that agency will have a chance to get it. That is also true with respect to State governments and agencies which desire to have the land for public purposes.

Mr. BARKLEY. If a camp should be continued either as a training school, under our vocational or rehabilitation provisions under laws already enacted, or for hospital purposes, under direction of the Federal Government, they could retain it; is that correct?

Mr. JOHNSON of Colorado. That is correct. Otherwise, it will go to the original owner, as has been indicated.

Mr. REVERCOMB rose.

Mr. JOHNSON of Colorado. Does the Senator from West Virginia desire to have me yield to him?

Mr. REVERCOMB. I shall be glad to have the Senator do so for a moment.

Mr. President, the Senator has very clearly brought out the point upon which I started to comment. In other words, the land must be surplus, and the Government must not want it, before it can be disposed of; is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. AIKEN. Mr. President, it looks to me as if the provision works both ways, and that if the Government purchased some farm land and greatly improved it, perhaps it was converted into a local airport which will be declared surplus, the former owner could recover it, improvements and all, at the price at which it had been acquired by the Government.

Mr. JOHNSON of Colorado. The bill reads—

such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States.

Mr. AIKEN. Yes; but can it be purchased at the lower price, the original price?

Mr. JOHNSON of Colorado. The purchaser has to pay for the improvements.

Mr. AIKEN. Is the Senator sure that the purchaser has to pay for the improvements, under the language now contained in the report?

Mr. JOHNSON of Colorado. The market price would reflect the improvements which had been made, of course.

Mr. AIKEN. I thought he could buy, under paragraph 3—

Mr. JOHNSON of Colorado. The sentence then reads—

or a price equal to the market price at the time of sale of such property, whichever price is the lower.



Mr. AIKEN. The sale price may be the market price or the price at which it was acquired by the United States, whichever is lower; is that correct?

Mr. JOHNSON of Colorado. Yes.

Mr. AIKEN. Therefore, if the land is worth \$10,000, and if the improvements are worth \$100,000, the purchaser can insist upon buying it for \$10,000.

Mr. JOHNSON of Colorado. No. "Land," as here referred to, does not apply to plants, plant facilities, and things of that kind. They are in a separate category.

Mr. AIKEN. That is what I wanted to make sure of.

Mr. JOHNSON of Colorado. Oh, yes. Plant facilities are placed in an altogether different category.

Mr. AIKEN. Does this provision apply only to the land itself and perhaps to temporary or comparatively useless buildings which are on it?

Mr. JOHNSON of Colorado. It applies to agricultural land.

Mr. PEPPER. Mr. President, I am not sure I did not overlook the provision about war housing. Is that covered by the terms of the Lanham Act?

Mr. JOHNSON of Colorado. Yes; it is. War housing will be handled by its own agency and will be excluded from the matter of surplus-property disposal under the bill.

Mr. PEPPER. For example, I have in mind that the Coast Guard has a number of small craft, some of which were taken over from private owners during the war. What agency would have charge of the disposal of property of that nature? Would the craft have to be declared surplus property by the Coast Guard, for example, and then come into the hands of the Board for distribution?

Mr. JOHNSON of Colorado. Such vessels as the Senator from Florida has mentioned may be disposed of by the disposal agency established for such purpose. The Maritime Commission, however, would be the sole disposal agency for merchant ships and other ships which may be converted into merchant ships.

Mr. PEPPER. Vessels which are normally classified as pleasure craft would not be included, would they?

Mr. JOHNSON of Colorado. No. The disposal agency would dispose of such craft as the Senator has in mind under the general provisions of the bill.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'MAHONEY. I wish to ask the Senator, in connection with the matter of real property, whether or not the conferees intended that the Board which is to be established should have the power of determining whether or not any particular land should be returned to the public domain.

Mr. JOHNSON of Colorado. No; the conferees intended that all land taken from the public domain should be returned to the public domain, and that would apply also to land withdrawn from other governmental sources, except land improved by the Government. For example, there might be swamp land or brush land which the Government had

improved and made into good agricultural land.

Mr. O'MAHONEY. As the bill passed the Senate, it was clear that lands which had been set aside from the public domain for the purposes of war should be restored to the public domain, or to the reservations. I think it is very important, therefore, to have a clear legislative understanding that the conferees did not intend to change that provision. The Senator will remember that as the bill passed the Senate it contained a provision for the classification of lands by the Secretary of the Interior and the Secretary of Agriculture. As the bill now comes from the conference committee it places the duty of classification in the Board.

Mr. JOHNSON of Colorado. Yes; but the Board is directed to go to the Federal agency affected, and it was understood by the conferees that in this particular matter the Board would seek assistance from the Department of the Interior and the Department of Agriculture in classifying the lands.

Mr. O'MAHONEY. I am glad the Senator from Colorado has called specific attention to that fact. I was about to allude to paragraph (d) of section 3, which appears on page 3 of the report. It reads as follows:

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

That would seem to clothe the Board with complete power to determine whether or not lands should be returned to the public domain. I understood the Senator to say that it was the intention of the conferees that the proper Government agency—in this instance the Department of the Interior—would be consulted with respect to the classification of lands and that, unless its character had been changed by the Government agency which had charge of or used the land, it would be returned to the public domain.

Mr. JOHNSON of Colorado. The Senator is correct. I should like to invite his attention to section 7, on page 4, of the report, reading as follows:

SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

With regard to the point of how much discretionary power the Board is given in connection with the return of land, as I understood, the conferees took the position that public domain land would be returned to the agency which had formerly possessed it, except such land as had been changed in character by the Government after the Government had taken over the land. A question regarding that matter was asked by Mr. MANASCO, chairman of the House con-

ferees, and he clarified the point in debate yesterday in the House.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HATCH. I have before me Representative MANASCO's reply. To my mind it does not clarify the matter at all. Representative MANASCO was asked, "Is the Surplus Property Board the one that is going to determine that?" The reference, of course, was to the land to be returned to the public domain. Representative MANASCO replied, "Of course, the Board will consult with the interested people and agencies."

That is a long way from what the Senator from Colorado has said. The Surplus Property Board will determine what land is to be returned to the public domain, but it may or may not consult with the agencies concerned. I like the explanation which the Senator from Colorado has made, but I am not clear in my own mind as to what he means by changing the character of the land.

Mr. JOHNSON of Colorado. For example, some of the land which has been taken over by the Government has been improved. It may have been swamp-land or brush land, and during the Government's occupation of it, may have been drained, and may now be good agricultural land.

I should like to invite the attention of the Senator from Wyoming and the Senator from New Mexico to the additional fact that the department, or any other agency which receives the land, will have to pay for it. They cannot get it merely by having it turned over to them; they have to purchase it.

Mr. McKELLAR. Mr. President, if that point has been settled, I should like to ask a question. Will the Senator state whether or not the bill takes the place of present laws which allow certain departments or agencies to sell their surplus property? For instance, let us take any one of the agencies, such as the War Production Board, or any other board or independent agency, or even department of the Government. As I understand, a number of these now have the power to sell. When this bill shall have been enacted, will that power be transferred to the board provided for in the bill, or what will the situation be? Will the other independent agencies or departments be able to sell their surplus property as before?

Mr. JOHNSON of Colorado. The answer is found in section 34 (a) on page 19, which reads as follows:

The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this act, whenever it deems such action necessary to effectuate the objectives and policies of this act.

Mr. McKELLAR. Then I understand that this is merely in addition to all the laws giving the several agencies and de-



partments the right to dispose of their property.

Mr. JOHNSON of Colorado. Yes, except that the board by regulation may bring the disposal of other lands under the provisions of the proposed act.

Mr. McKELLAR. I will state very frankly to the Senator what is running through my mind. I had hoped that this would be an exclusive law, because I think the sale of all surplus property should be in the hands of one agency. It would be very much better than to have each agency of the Government selling its own surplus property, and the proposed board merely being an additional agency for that purpose.

Mr. JOHNSON of Colorado. The effect of paragraph (a) is to centralize all the authority for the disposal in the Board during the 3 years of the life of the act.

Mr. McKELLAR. It merely says they "may" do it. It does not say they "shall" do it. It would be necessary to go to court to get a determination that "may" in that particular sentence meant "shall", and I do not know whether a court would give such a decision. It would depend on circumstances. It seems to me it is very unfortunate that the Board should not have complete authority, and state the rules and regulations under which the sales should be made.

The selling of Government property is always attended with trouble, insofar as the agencies of the Government are concerned. The Senator may not recall, because he was not a Member of the Senate at the time, but after the last war many scandalous things occurred about the sale and resale of Government property, and I had very much hoped that the bill before us would provide that the agency to be set up, and that agency alone, should be responsible for the sale of surplus property.

Mr. GEORGE. May I ask the Senator from Colorado a question?

Mr. JOHNSON of Colorado. I yield.

Mr. GEORGE. As the bill passed the Senate, my recollection of it was that lands acquired even under the Weeks law might be sold by the disposal agency.

Mr. JOHNSON of Colorado. Under what law?

Mr. GEORGE. Under the Weeks law, lands acquired at the headwaters of navigable streams, national forests. In other words, it was not confined to lands purchased by the Government for military purposes, or for war purposes, but it was broad enough by its terms to cover, and actually did cover, lands acquired under the Weeks law.

Mr. JOHNSON of Colorado. If they were declared surplus, but they would have to be declared surplus before the proposed law could affect them, because the law will be confined entirely to surplus property and surplus land.

Mr. GEORGE. It is confined to surplus military property, or property acquired for military purposes?

Mr. JOHNSON of Colorado. No, surplus United States property, which the owning agency itself declares surplus.

Mr. GEORGE. Is there a limitation put upon property as to the time when it was acquired?

Mr. JOHNSON of Colorado. There is a limitation, which is 1939.

Mr. GEORGE. The Forestry Service, which administers the national forest reservations, called my attention to the matter, and I brought it to the attention of the conference. I think I submitted a letter to the Senator from Alabama [Mr. HILL], who was on the conference. I understood that the matter had been corrected in conference, so that no lands, for instance, acquired for reforestation purposes, at the headwaters of navigable streams, under what we know as the Weeks law, which law has been in existence for quite a number of years, could be taken over and sold or turned over to any other agency.

Mr. JOHNSON of Colorado. It could not be unless it were declared surplus.

Mr. O'MAHONEY. Let me interrupt to say that I saw the protest on the part of the Department of Agriculture to which the Senator from Georgia referred, and I felt at the time that there was nothing in the Senate bill which justified the position which was taken with respect to such lands purchased under the Weeks law, because any land held by the Department of Agriculture, under whatever law acquired, could not possibly be affected by the bill as it passed the Senate, unless the Department of Agriculture itself positively declared it surplus. There was nothing in the bill as it passed the Senate which authorized the Surplus Property Administration to reach over into the Department of Agriculture or into any other department and take land and declare it surplus.

Mr. GEORGE. I know that the Department of Agriculture had very great concern about it.

Mr. O'MAHONEY. I know they were disturbed about it.

Mr. GEORGE. The Forestry Service took the matter up with me personally.

Mr. JOHNSON of Colorado. Let me call the attention of the Senator to the language in section 18, subsection (a), on page 5, which provides:

SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

At no place in the conference report is the Board given any authority to go into any owning agency and declare property surplus. They can complain to Congress; they can make a report to Congress that they think an owning agency is holding out on them.

Mr. GEORGE. As I understand, then, the bill abrogates the entire scheme set up under the Weeks law, to provide for the sale and exchange of property which the Forest Administration does not wish to keep for forestry purposes; it supersedes that entirely?

Mr. O'MAHONEY. If I may interrupt, my opinion is that it does not. As a matter of fact, I will say to the Senator from Georgia—and this is a matter to which I have personally called the attention of the Senator from Colorado—the bill as reported by the conferees lays a positive injunction upon the disposal authority to give any Government agency any land it wants, which seemed to me

to be an utter abandonment of the position which the Senate had originally taken. If the Senator will bear with me, I shall point out what I have in mind.

Section 12 (a) of the conference bill, found on page 6, reads as follows:

SEC. 12. (a) It shall be the duty of the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this act.

Surplus property has been defined to include real property. So in section 12 (a) there is a positive injunction to the Board making it its duty to facilitate the transfer of surplus real property from one Government agency to another, and such a transfer is given priority over all other demands.

On page 13 of the report, in section 23—the section which deals with the disposal of surplus real property—paragraph (b), we find this provision:

Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

So, in two portions of the bill it is stated in words which cannot possibly be misunderstood, that surplus real property goes first to Government agencies which want it; that it is the duty of the Board to facilitate the transfer to such agencies; and moreover that surplus property cannot be disposed of to anyone if any Government agency or any State or municipality sets up a prior claim.

Mr. JOHNSON of Colorado. That is correct, and there is another provision in section 12 (c) requiring that land be paid for, and, therefore, so as far as a Government agency is concerned, Congress would have to appropriate the money before some other agency of Government could take land which was declared surplus.

Mr. GEORGE. No; not under the Weeks law. That is a well-worked-out program under which the Forest Service, which is in the Department of Agriculture now, could exchange land which it held for other land. If under the Weeks law it had bought certain land in a national forest, and after having purchased the land it discovered that it could make an exchange for an equal or possibly superior number of acres of other land which was better suited for that particular forest and the particular purpose, the Forest Service could make the exchange. As I understand the present language, in that sort of a situation the Board takes over the full authority to handle the piece of property.

Mr. JOHNSON of Colorado. No; I am sure that is not the case.

Mr. O'MAHONEY. There is nothing in the bill which would uphold any such interpretation.

Mr. GEORGE. It has become surplus for that purpose.

Mr. O'MAHONEY. It cannot become surplus unless the Forest Service declares it to be surplus.

Mr. GEORGE. They do declare it to be surplus and make an exchange for other land.



Mr. O'MAHONEY. No; they have authority of law now under the Weeks law to make transfers of property. Nothing in this bill would affect that.

Mr. GEORGE. That is what I am inquiring about.

Mr. O'MAHONEY. And I am trying to allay the Senator's fears, because the provisions of this bill with respect to the action of any Government agency in declaring any property surplus would apply only where for the purposes of the bill the agency desires to declare it surplus, and certainly would not apply where the agency was otherwise authorized by law to use land for the purpose of exchange in acquiring other land.

Mr. GEORGE. Yes; but I understood the Senator from Colorado to say a moment ago that this language superseded all other provisions of law with respect to the handling of any properties which the Government agency desired to get rid of.

Mr. JOHNSON of Colorado. No.

Mr. GEORGE. Then I misunderstood the Senator.

Mr. JOHNSON of Colorado. The Senator from Colorado did not say that. If I may call the attention of the Senator from Georgia to section 11, subsection (a) again, he will note that the language is "and to determine which of such property is surplus to its needs and responsibilities."

That responsibility refers directly to the Weeks law, and it is the responsibility of the agency to make the transfer if it thinks it is in the public interest.

Mr. GEORGE. I had the general impression that this bill was supposed to deal with surplus war properties; that is, properties acquired for war purposes.

Mr. GURNEY. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. GURNEY. There is a provision in the bill which I think will settle the question. If the Senator will turn to page 19 of the conference report, section 34 (b), he will find a saving clause, "Nothing in this act shall impair or affect the provisions of." Then a number of laws are mentioned. And the next to the last line in that clause begins "the statutes relating to the public lands."

So nothing in this measure would affect the Weeks law. It is so stated, I believe.

Mr. GEORGE. That was the point of my inquiry.

Mr. GURNEY. I believe that section 34 covers the point exactly.

Mr. GEORGE. There was very grave concern as to whether the bill would not apply to land acquired for reforestation purposes under the Weeks law.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WHERRY. I will ask the distinguished Senator from Colorado if he has reached the point of stating what became of the amendment which was presented in the form of a bill, which amendment would require that all moneys received or recaptured from the sale of surplus property should be applied upon

the Government war debt? Has the Senator reached that point yet?

Mr. JOHNSON of Colorado. Yes; I am ready to discuss that point. That was one of the matters upon which the conferees on the part of the Senate had to compromise with the conferees on the part of the House. The House conferees objected to that provision remaining in the bill, and the Senate conferees had to recede.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AUSTIN. I want the distinguished Senator from Colorado to bear me out in this particular, that every Republican vote in conference on both the Senate and House side was in favor of that provision, but the Republican conferees on both the House and the Senate side were unsuccessful.

Mr. JOHNSON of Colorado. That is correct. The minority party representatives, both of the House and the Senate, supported the position of the Senator from Nebraska.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. Yes.

Mr. WHERRY. I should like to make a statement with respect to the amendment, if the Senator will indulge me. We have been here a long time this afternoon, and we have talked about many subjects. I think, however, there is none more important to the home front. I think the amendment to which I refer should not be deleted from the bill. I should like to review briefly the amendment.

The amendment was first introduced in the form of a special bill by Representative HERTER, of Massachusetts, and referred to the Committee on Ways and Means in July of this year. As is customary with such bills, it was sent to the Treasury Department for comment. The Treasury comment, as received a few days later by the Ways and Means Committee, indicated that the Treasury Department did not agree with the theory of the amendment.

When the surplus property disposal bill was reported from the Committee on Expenditures in the Executive Departments, Representative HERTER, of Massachusetts, was urged by members of the Ways and Means Committee to offer his bill in the form of an amendment. It was so offered, and received the approval of the House of Representatives by an almost unanimous vote.

An identical amendment was offered in the Senate by me to the surplus property disposal bill when we were considering that measure. It received the approval of this body with almost no objection. I shall have to state that the senior Senator from Colorado certainly voted against the amendment, and we could all hear his voice in the Senate that afternoon when he voiced objection, but the amendment was adopted almost unanimously by the Senate.

That is, generally, the history of this amendment. It would require the earmarking of funds realized from the sale of surplus property.

It might be well to note in passing that W. L. Clayton, to whom we have heard such flattering and glowing compliments paid on the floor of the Senate today, testified before the Military Affairs Committee. He expressed his full approval of having the proceeds from the sale of surplus property apply to the reduction of the debt. The pending legislation, after having been passed by both Houses of Congress, then went to conference, and we now find the conference report back before us for our consideration, with the amendment concerning which I am speak, deleted—an amendment which, generally speaking, had the almost unanimous endorsement of both Houses of Congress.

In that connection, I should like to point out to Members of the Senate rule XXVII, section 2. Let me read it:

Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report shall be recommitted to the committee of conference.

Let me say to the distinguished Senator from Colorado that I shall not make the point of order. I realize that there are some highly controversial provisions in the bill, and in the main I feel that the conference committee has done a fine job. I wish to go along with them.

However, I believe that under rule XXVII a point of order could be made. It might not be sustained, but I point out to the membership of the conference committee that the identical amendment passed both Houses of Congress. That being true, it seems to me that the conferees should have retained the amendment, and that it should not have been deleted from the bill.

As I stated a moment ago, I do not expect to make the point of order against the conference report. The hour is growing late, and the Senators are restless to get away.

I repeat that it is as important that we take up matters on the home front as it is to discuss things on the foreign front. This conference report deals with property disposal to the extent of \$103,000,000 000. It is one thing to recapture the funds, and it is another thing to apply them to the reduction of the debt, where they should be applied.

The Treasury Department opposes this amendment. It passed the House and the Senate, and then the Treasury Department said, "No." I read an editorial on this subject in a Washington newspaper the day after the bill passed the Senate. The Treasury Department stated, in a press release, that the amendment would be ineffectual, and should be deleted from the bill. It has opposed the amendment from that time until the present, and it has finally succeeded in having it eliminated from the bill. I believe it is a good thing. I believe that we should become debt conscious in the United States.

Mr. President, we shall come out of this war with a Federal debt of between \$250,000,000,000 and \$300,000,000,000. It



will be incomparably the greatest debt that was ever placed on the shoulders of the American people, or any other people.

I assume that no Senator will disagree with the statement that a nation's credit is exactly like that of an individual, in that there must be the intention to pay honest debts, whether they be private or public. We owe this money. Do we mean to pay it back? Do we mean to liquidate any part of the national debt? If we do, do we mean to give the American people evidence in the Congress that we intend to do so?

Finally, Mr. President, could there be a better time to start, or a better way of starting to evidence the intention of paying the debt than to recover these moneys from the sale of surplus property and materials and place them in a special fund to be devoted to the reduction of the Federal debt? That debt hangs like a millstone around the neck of the Nation and of every citizen of the Nation.

An editorial was recently published in the Washington Pathfinder which pointed out that every baby in this land owes approximately \$2,000 the day he is born. That is his or her share of the Federal public debt. If we assume a family of five, that means that every such family in the United States has a \$10,000 mortgage on the family assets and the future family earnings to pay the present debt in this country.

The American people will be made conscious of the tremendous public debt if these huge sums are collected and placed in a fund to be devoted to the reduction of the debt. If the funds are not so devoted there is no reason why the American people should be debt-conscious. There would be no reason why they should not join in the fallacious, vicious, and thoroughly dangerous theory that we can go on spending and spending, and never think about the national debt. In that direction lies national insolvency and bankruptcy. No less an authority than Franklin Delano Roosevelt himself has made that statement over and over again.

The Congress, acting for the American people, appropriated moneys for the prosecution of the war. Those moneys were expended for plants, tools, ships, materials, and machinery of all kinds. More plants were built than will be needed. More tools were built than will be needed. More raw materials were bought than will be needed. We have no quarrel with that policy because in war we must play safe.

However, let me point out to the membership of the Senate that as soon as such materials become surplus, after having served the purpose for which the moneys were spent, the proceeds from the sale of surplus properties and materials ought, in normal course, to be recaptured and paid on the public debt.

The whole point of my amendment is that the theory of deficit spending—the idea that we can borrow and spend ourselves back into a condition of solvency—is so dangerous that I believe that the American people will rise up and demand that, like any prudent citizen, the Government apply all the assets

it receives from the sale of surplus property to the reduction of the public debt. That debt will demand interest service. Interest service means taxes. So instead of encouraging spendthrifts in the bureaus to use billions of dollars to start new political W. P. A.'s or to give the money away to U. N. R. R. A., or use it to start a world W. P. A., let us apply these funds, when received, to the reduction of the debt, and at the same time reduce the interest burden which the taxpayer must carry through untold generations.

If there is a single, solitary argument of any validity against this money being so applied, it has not been advanced on this floor. American citizens have been persuaded to buy billions of dollars' worth of bonds. How long can the Government continue to sell bonds and pledge its credit if no start is made and no intention is evidenced toward reducing the huge debt, or toward an early effort to stop deficit spending and managed credit in this country? If we make provision now to start retiring the public debt, and we in Congress, along with the American people, become debt conscious, it will naturally follow that the credit of our Government will be much improved.

Mr. President, the greatest danger which exists today to the solvency of this Nation is the grab-bag system now in effect, and the "gimme" attitude of the executive departments of government toward the Congress. Unless the general funds of the Treasury are appropriated by the Congress, there will be no check on their expenditure. Unless the special funds under discussion are converted into a fund for the reduction of the debt, we shall see years pass before any attempt is made to set up such a fund. There could be no better time than now to make a start in that direction; and no source of funds is more ideally adapted to the reduction of the public debt than funds derived from the sale of surplus property. Let us remove from the executive departments of the Government both the temptation and the power to use these funds under the grab-bag system. Let us apply them to the reduction of the public debt.

I do not see why these moneys should not be covered into a special fund for the reduction of the debt. I do not believe that a valid argument could be made against the purpose of the amendment or the way in which it would operate.

In discussing the Treasury Department's objections to this amendment, I invite the attention of the Senate to a paragraph taken from the Baruch-Hancock report dealing with this subject. It appears on page 64 of the report, under the heading "Lower Debt":

LOWER DEBT

All of the war surpluses will have been paid for by the American public either through war taxes or the increase in the national debt. Therefore, the proceeds of all sales should go to reduce that debt, lowering the post-war carrying charges which will have to be met through taxation. Certainly no agency should be permitted to sell surpluses and use the proceeds for other purposes.

It is a matter of common knowledge that it has long been a legislative practice to earmark funds. Even in appropriating funds, Congress sets forth how the funds shall be used. In effect, this amendment would reappropriate the funds recovered, and would provide for their application in the reduction of the national debt.

There is nothing unusual about this procedure or this legislative practice. It is the experience not only of our National Government, but also of our State governments, counties, municipalities, and all other governmental subdivisions. It is a very good private practice.

One theory is that all the money goes into the Treasury, payments are made from the Treasury on the debt, and it makes no difference whether these funds are recaptured and placed in a special fund or whether they are placed in the general fund of the Treasury and then paid out. There is as much difference between that theory and the theory of this amendment as there is between day and night. If a person wishes to pay a private debt, if he has a salary of \$3,000, he sets aside \$100 a year, or \$100 a month, and places it in a special fund. When the debt becomes due, he pays it. If he depends upon putting it in the general fund with the rest of his \$3,000, when the time comes to pay the debt he will not have the money. He will have used it for something else. The general fund is the grab bag.

During an appearance by Mr. Warren, Comptroller General, before the House Committee on the Civil Service, in the course of his testimony at the hearing on June 3, 1943, in speaking generally of appropriation and accounting practices, he stated:

Under the gentle guise of war, the word "economy" has been deleted from the dictionary (p. 458).

Thrift and prudence, ordinary prudence in the expenditure of other people's money, has gone out of the window.

The country is in the grip of the cost-plus-fixed-fee contractor. He is writing his ticket and he is getting what he writes.

\* \* \* It is a fact that thousands of people are down here in the Government from private business. I do not mean to condemn their actions or motives, but I do say that sometimes the contracting official's for the Government are either nitwits or e.s.e.

I do not want to see anyone lose, and I realize that in mammoth undertakings that are going on they have to be treated more or less sympathetically; but some day, sometime, I want to see more people in the employ of the Government who are looking out for the Government. It is time some of them are concerned about the people who pay the taxes.

My observation is that Congress has practically no information on how the appropriated money is being spent. Members of the Appropriations Committee will tell you that it is a hit-or-miss affair with them in the development of the various appropriation bills (p. 459).

You have practically no idea of what is going on in any agency, including the General Accounting Office, when you vote these enormous appropriations; it is merely a hit-or-miss affair (p. 460).

I think Congress ought to be informed. Congress has created a Frankenstein that has become greater and more powerful than its creator. (Referring to want of respect



for law and want of cooperation with Congress.) (P. 465.)

Mr. President, the money spent for the purchase of the materials which are now surplus is already a part of the national debt. The people are already paying taxes on that debt. This is the one way which will not cost the American people a dollar, but will save them money, by starting to reduce the Federal debt. If we place the money obtained from the sale of the surplus property in a special fund for the reduction of the public debt—we do that in the case of other Government agencies, and there is just as much reason to say that in the case of those agencies such action is unnecessary because otherwise the money goes into the General Treasury anyway, as it is to say that would be the case in this instance—it will cause the American people not only to know how much money is being received from the sale of their surplus property, but how much money is being paid annually to reduce the debt. That is the way to make them debt conscious. That is the way to make a start toward stabilizing our financial economy, which certainly is sadly bent on the home front.

For 10 years we have been under the spend-and-spend, tax-and-tax doctrine. The attempt to kill this amendment is an indication of the attempt to perpetuate that doctrine into the post-war period which is to come. This deficit spending, this credit management, will be continued in the post-war period if the administration is to have its way relative to this amendment.

There is no reason why we should be extravagant in time of war, except that the administration has lost all sense of proportion. But there is every reason, because war is a colossal waste, that the most rigid economy consistent with the war effort should be practiced.

Let us not forget that every dollar that is wasted must be paid back in toil; it must be paid back in sweat; it must be paid back in sacrifices by our citizens and privations of our citizens, just the same as every dollar which is well spent. Wasted billions, as well as other billions, all comprise the colossal public debt of which we are speaking.

Some Senators argue to the membership of the Senate that it is sound simply to say that the theory to which they subscribe is different from the theory of the Treasury, whose theory it is that the size of the public debt does not make any difference; that it is merely a bookkeeping proposition; that there is no difference. But that is no reason why the conferees should delete the amendment from the provisions of the bill. Both Houses passed this measure. Both of them felt that it was in the interest of stabilizing our economy. Both Houses felt that it would make the public debt-conscious. After all, that is the point of the amendment. If we are going to make a start toward paying our debt, and if we are going to have our Government continue to keep its credit good and be able to sell bonds somewhere, somehow, we must have a balanced Budget, and we

must take in more than we spend, and we must realize that a private debt and a public debt are the same, and must be paid.

Mr. JOHNSON of Colorado. Mr. President, I would concur in the views of the Senator from Nebraska if he would accompany his proposal regarding the public debt with a proposal for a reduction in the debt limit or if he would couple his proposal with an appropriation. But he does not do so.

I do not care to discuss the matter any further at this time, but I now request unanimous consent to have printed at this point in the RECORD a statement by the Treasury Department relative to this proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE TREASURY DEPARTMENT,  
Washington, September 1, 1944.

HON. ELBERT D. THOMAS,  
Acting Chairman, Committee on  
Military Affairs, United States Senate,  
Washington, D. C.

MY DEAR MR. CHAIRMAN: We wish to present for the consideration of the conferees on H. R. 5125 the urgent recommendation of the Treasury Department for the deletion of the requirement that proceeds from the disposition of surplus property be credited to a special fund which shall be used exclusively for the reduction of the public debt.

The acceptance of this recommendation would call for the deletion from section 27 (a) of H. R. 5125, as passed by the Senate with amendments, at page 75, lines 6 to 8, of the words "to the credit of a special fund which shall be used exclusively for the reduction of the public debt," and the substitution therefor of the words "as miscellaneous receipts."

The requirement for the creation of a special fund purportedly for public-debt reduction would be wholly ineffective to accomplish that purpose and would not make available a single dollar for the actual reduction of the public debt. Giving that provision its most extravagant application, then during the present period of deficit financing it would have to be fulfilled by the futile mechanical measures of applying the special fund to retire a given amount of outstanding public debt while simultaneously offering additional public-debt obligations to recoup the same funds in order to meet Government expenditures required by congressional appropriations not covered by the proceeds of revenue measures enacted by Congress. A more reasonable interpretation, and the one which would be adopted by the Treasury Department, would result only in a series of complicated book entries without any actual debt reduction until such time as current receipts should exceed expenditures. In sum, the provision would be void of any substantive result; it would be misleading if it were currently received as a measure which would realize its stated objective; and its sole effect would be to require complex and unnecessary book entries.

The Treasury Department, in previously recommending against the enactment of this proposal, stated its purpose to present to Congress, so soon as relief from the burden of extraordinary war expenditures would permit, recommendations for the establishment of a sound sinking-fund policy in the light of conditions then existing. It is neither timely nor desirable during the current deficit period to enact purported sinking-fund or debt-retirement provisions which must necessarily be futile and which might militate

against the establishment of adequate and sound provisions at the appropriate time.

Very truly yours,

D. W. BELL,  
Acting Secretary of the Treasury.

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a communication in the form of a telegram received by me from the Senator from Utah [Mr. THOMAS] relative to having the bill require observance by the Board of the provisions of the civil-service laws and the Classification Act. I also ask unanimous consent to have my telegraphic reply to the telegram of the Senator from Utah printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., September 17, 1944.

HON. EDWIN C. JOHNSON,  
United States Senate,  
Washington, D. C.:

I have sent the following telegram to Congressman MANASCO of the House conferees. I trust that it will meet with your approval and that you can meet at the specified time.

"On reading over the final print of H. R. 5125 I notice on page 8, lines 4 to 12, that we have probably inadvertently copied the wording of the original R. F. C. law which would make it possible for the Board to ignore the provisions of the civil-service laws and the Classification Act. Neither the House bill nor the Senate bill, as I remember them, carried this provision as it is stated here. I am sure, therefore, that before the conference report is presented to the two Houses the conferees would like to reconsider changing these lines. I am, therefore, asking if you will please preside Monday the 18th at a meeting in the Senate Military Affairs room at 10 o'clock and put this matter to the conference. I am sending a copy of this telegram to all the conferees and to the respective legislative counsels so that they may consider it a call for a meeting before the reports are made. I am leaving for the train so I cannot meet with you. Whatever action you take I shall be happy to sign with you, thus the signature blanks will not have to be changed. I trust that these words can be changed in such a way that we will not do violence to our governmental policies of the past many years."

Regards.

ELBERT D. THOMAS,  
United States Senate.

SEPTEMBER 18, 1944.

Senator ELBERT D. THOMAS,  
Care of F. Gerald Thomas,  
Chicago, Ill.:

Upon receipt of your telegram I got in touch with the vice chairman of the conference, Mr. MANASCO. He had already received a similar telegram and had talked with other House conferees. He refused to call another conference because the conference report had already been filed in the House and therefore the conferees were powerless to make changes. He furthermore said that the language on page 8 was discussed at length in conference and was agreed upon as written and that language was the way a majority of the House conferees wanted it. He pointed out also that all the ordinary employees of the Board would be taken from civil-service lists under the present language and only the specialists selected outside of civil service.

ED. C. JOHNSON.



The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### EXECUTIVE MESSAGES REFERRED

As in executive session.

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### RECESS

Mr. BARKLEY. Mr. President, in view of the lateness of the hour, I shall not move an executive session.

I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, September 20, 1944, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate September 19 (legislative day of September 1), 1944:

##### DIPLOMATIC AND FOREIGN SERVICE

George Wadsworth, of New York, now diplomatic agent and consul general at Beirut and Damascus, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Lebanese Republic and to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Republic of Syria.

##### POSTMASTERS

The following-named persons to be postmasters:

##### ALABAMA

Mary M. Davis, Ohatchula, Ala. Office became Presidential July 1, 1944.  
Lee J. Clayton, Jr., Eufaula, Ala., in place of H. L. Upshaw, resigned.  
Sallie J. Richardson, Krafon, Ala. Office became Presidential July 1, 1944.  
Ruth P. Carter, Myrtlewood, Ala. Office became Presidential July 1, 1944.  
Annie B. Fitch, Snow Hill, Ala. Office became Presidential July 1, 1944.

##### ARKANSAS

Wayne S. Ross, Gillham, Ark. Office became Presidential July 1, 1944.  
William E. Surginer, Hensley, Ark. Office became Presidential July 1, 1944.  
Lucile D. Hopper, Leola, Ark. Office became Presidential July 1, 1944.  
Jesse A. Poyner, Maynard, Ark. Office became Presidential July 1, 1944.  
John M. Freeman, Mount Holly, Ark. Office became Presidential July 1, 1944.  
Loys V. Halbert, Prattville, Ark. Office became Presidential July 1, 1944.  
John C. Howe, Wabash, Ark. Office became Presidential July 1, 1944.

##### CALIFORNIA

Marie A. Shane, Boyes Hot Springs, Calif. Office became Presidential July 1, 1944.  
Charles E. Faulhaber, Mira Loma, Calif. Office became Presidential July 1, 1944.  
Mila Galbraith, Ridgecrest, Calif. Office became Presidential July 1, 1944.  
Carolyn H. Campbell, Tustin, Calif., in place of S. H. Long, removed.

##### COLORADO

J. Glenn Bell, Rye, Colo. Office became Presidential July 1, 1944.

George R. Simon, Seibert, Colo., in place of Meryl D. Haynes, transferred.

##### CONNECTICUT

Warren A. Wilcox, East Granby, Conn. Office became Presidential July 1, 1944.  
Philip T. Lewis, East Killingly, Conn. Office became Presidential July 1, 1944.  
Edgar J. Proulx, Goodyear, Conn. Office became Presidential July 1, 1944.  
William Liberty, Voluntown, Conn. Office became Presidential July 1, 1944.

##### FLORIDA

Edward O. Sawyers, Zolfo Springs, Fla. Office became Presidential July 1, 1944.

##### GEORGIA

Hardy L. Holland, Register, Ga. Office became Presidential July 1, 1944.

##### IDAHO

George H. Wylie, Deary, Idaho, in place of Emory Olson, deceased.  
John E. Trimming, Pocatello, Idaho, in place of A. H. McGuire, removed.

##### ILLINOIS

E. Loraine White, Donnellson, Ill. Office became Presidential July 1, 1944.  
Levi C. Robinson, Gardner, Ill., in place of T. E. Horrie, deceased.  
Jananne McDonnell, Laura, Ill. Office became Presidential July 1, 1944.  
Genevia L. Guess, Thebes, Ill., in place of M. B. Youart, deceased.  
Florence R. Anderson, Wood Dale, Ill. Office became Presidential July 1, 1944.

##### INDIANA

Hazelle C. Becher, Corunna, Ind. Office became Presidential July 1, 1944.  
Joseph L. Peters, Marysville, Ind. Office became Presidential July 1, 1944.  
Robert Ervin Stephens, Sr., New Richmond, Ind. Office became Presidential July 1, 1943.  
Eileen Studer, Shelby, Ind. Office became Presidential July 1, 1944.

##### IOWA

Harry Eckhardt, Avoca, Iowa, in place of Daisy Oldham. Incumbent's commission expired June 23, 1942.  
Benjamin H. Rowe, Beaman, Iowa. Office became Presidential July 1, 1944.  
Loretto Erickson, Duncombe, Iowa. Office became Presidential July 1, 1942.  
Harry W. Christians, Grafton, Iowa. Office became Presidential July 1, 1944.  
Edward J. Dowling, Lanesboro, Iowa. Office became Presidential July 1, 1944.  
John Schneider, Popejoy, Iowa. Office became Presidential July 1, 1944.  
Alfred T. Guddall, Thor, Iowa. Office became Presidential July 1, 1944.  
Lora L. Johns, Tracy, Iowa. Office became Presidential July 1, 1944.

##### KANSAS

Elizabeth C. Keating, Fulton, Kans. Office became Presidential July 1, 1944.  
Joseph A. Trudell, Morganville, Kans. Office became Presidential July 1, 1944.

##### KENTUCKY

George C. Cawood, Cawood, Ky. Office became Presidential July 1, 1944.  
Benjamin S. Berger, Coalgood, Ky. Office became Presidential July 1, 1944.

##### LOUISIANA

Louis F. Siadous, Dison, La. Office became Presidential July 1, 1944.  
Elizabeth M. Brooks, Rosepine, La. Office became Presidential July 1, 1944.

##### MAINE

Charles B. Lewis, Springfield, Maine. Office became Presidential July 1, 1944.

##### MARYLAND

Mary D. Rice, Maugansville, Md. Office became Presidential July 1, 1944.

##### MINNESOTA

Lizzie A. Schmidt, Dundee, Minn. Office became Presidential July 1, 1944.

##### MISSISSIPPI

Annie L. Womack, Marietta, Miss. Office became Presidential July 1, 1944.  
Sarah L. Brewer, Steens, Miss. Office became Presidential July 1, 1944.

##### MISSOURI

Donald M. Barrow, Clarksdale, Mo. Office became Presidential July 1, 1944.  
Mabel Cunningham, Dawn, Mo. Office became Presidential July 1, 1944.  
Gideon Ward Miller, Edgerton, Mo. Office became Presidential July 1, 1944.  
M. Marguerite Shineman, Fillmore, Mo. Office became Presidential July 1, 1944.  
Leonard D. Smith, Fremont, Mo. Office became Presidential July 1, 1944.  
Lawrence W. Bartee, Holt, Mo. Office became Presidential July 1, 1944.  
Mary E. Staples, Houstonia, Mo. Office became Presidential July 1, 1944.  
Mary E. B. Black, Rivermines, Mo. Office became Presidential July 1, 1944.

##### MONTANA

Olive M. Griffith, Grassrange, Mont. Office became Presidential July 1, 1944.  
Anne Helen Sebastian, Joplin, Mont., in place of B. O. Wilson, resigned.  
Mabel M. Jimerson, Nashua, Mont., in place of F. L. Jimerson, deceased.  
Gail H. Fry, Park City, Mont., in place of F. D. Stoltz, resigned.

##### NEBRASKA

Vera F. Knickerbocker, Verdon, Nebr., in place of O. P. Veal, deceased.

##### NEW MEXICO

Mack W. Urioste, Raton, N. Mex., in place of J. C. Leonard, deceased.

##### NEW YORK

Asa Camp, Apalachin, N. Y. Office became Presidential July 1, 1944.  
Ruth T. Savory, Beaver Dams, N. Y. Office became Presidential July 1, 1944.  
Oliver H. Hanson, Celeron, N. Y. Office became Presidential July 1, 1944.  
Edward F. Curtis, Eagle Bridge, N. Y. Office became Presidential July 1, 1944.  
Pearl S. Wood, Felts Mills, N. Y. Office became Presidential July 1, 1944.  
Lillian L. Johnson, Findley Lake, N. Y. Office became Presidential July 1, 1944.  
Mary H. Whalen, Fort Johnson, N. Y. Office became Presidential July 1, 1944.  
John J. Hickey, Gainesville, N. Y. Office became Presidential July 1, 1944.  
Joseph P. Hertz, Glenmont, N. Y. Office became Presidential July 1, 1944.  
Martha M. Ward, Great Valley, N. Y. Office became Presidential July 1, 1944.  
Elizabeth P. Williams, Henrietta, N. Y. Office became Presidential July 1, 1944.  
Ada McDonald, Jay, N. Y. Office became Presidential July 1, 1944.  
Earl Hendershott, Lakeville, N. Y. Office became Presidential July 1, 1944.  
Mary E. A. Mayesky, Lincolnale, N. Y. Office became Presidential July 1, 1944.  
Dudley P. Hall, Little Genesee, N. Y. Office became Presidential July 1, 1944.  
Donald W. Mott, Marville, N. Y. Office became Presidential July 1, 1944.  
Leon D. Tucker, McDonough, N. Y. Office became Presidential July 1, 1944.  
Hazel C. Fiala, Millport, N. Y. Office became Presidential July 1, 1944.  
Walter L. Pepper, Moriah, N. Y. Office became Presidential July 1, 1944.  
James W. Van Alstine, Nelliston, N. Y. Office became Presidential July 1, 1944.  
Alexander R. Knowlton, Rexford, N. Y. Office became Presidential July 1, 1944.  
Florence E. Smith, Sterling Station, N. Y. Office became Presidential July 1, 1944.  
George E. McEvoy, Tilton, N. Y. Office became Presidential July 1, 1944.  
Donald B. Kentner, Turin, N. Y. Office became Presidential July 1, 1944.  
Otto I. Mayne, West Edmeston, N. Y. Office became Presidential July 1, 1944.



Iva R. Puffer, Wynantskill, N. Y. Office became Presidential July 1, 1941.

## NORTH CAROLINA

Alda McClure, Bolling Springs, N. C. Office became Presidential July 1, 1944.

Ralph G. Goode, Connellys Springs, N. C. Office became Presidential July 1, 1943.

Frank McMillan, Crumpler, N. C. Office became Presidential July 1, 1944.

Mamie B. Williams, East Lumberton, N. C. Office became Presidential July 1, 1944.

Guy R. Cutrell, Fairfield, N. C. Office became Presidential July 1, 1944.

William D. Sloop, Harrisburg, N. C. Office became Presidential July 1, 1944.

Anne Lee Vannoy, Highshoals, N. C. Office became Presidential July 1, 1944.

Eugene S. Edwards, Hookerton, N. C. Office became Presidential July 1, 1944.

Lola A. Carter, Jackson Springs, N. C. Office became Presidential July 1, 1944.

Mitsn O. Saunders, Kure Beach, N. C. Office became Presidential July 1, 1944.

Henry R. Gerald, Pine Level, N. C. Office became Presidential July 1, 1944.

Helen B. Hemphill, Rhodhiss, N. C. Office became Presidential July 1, 1944.

Glenn E. Ritchie, Richfield, N. C. Office became Presidential July 1, 1944.

Henry M. Cates, Saxapahaw, N. C. Office became Presidential July 1, 1944.

Margaret I. Siler, Staley, N. C. Office became Presidential July 1, 1944.

Ella K. Phillips, Swepsonville, N. C. Office became Presidential July 1, 1944.

Robert F. Rash, Union Grove, N. C. Office became Presidential July 1, 1944.

William I. Rowland, Willow Spring, N. C. Office became Presidential July 1, 1944.

Orion M. Click, Woodleaf, N. C. Office became Presidential July 1, 1944.

J. Bryan Boswell, Woodsdale, N. C. Office became Presidential July 1, 1944.

## NORTH DAKOTA

M. Marvin McKeever, Hamilton, N. Dak., in place of H. J. Rock, resigned.

Celeste M. Reiman, White Earth, N. Dak. Office became Presidential July 1, 1944.

## OHIO

Robert B. Leslie, Latty, Ohio. Office became Presidential July 1, 1944.

Guy Miller, Morral, Ohio. Office became Presidential July 1, 1943.

Beverly Bradley, South Lebanon, Ohio. Office became Presidential July 1, 1944.

Clara C. Kugler, Stone Creek, Ohio. Office became Presidential July 1, 1944.

Hazel E. Clark, Syracuse, Ohio. Office became Presidential July 1, 1944.

Archie C. Reynolds, Waldo, Ohio. Office became Presidential July 1, 1943.

## OKLAHOMA

Roy R. Hardway, Hugo, Okla., in place of Hugh Johnson, resigned.

John H. York, Indianola, Okla. Office became Presidential July 1, 1944.

Joe R. Kyle, Macomb, Okla. Office became Presidential July 1, 1944.

Frederick M. Shaw, Oklahoma City, Okla., in place of J. S. Morris. Incumbent's commission expired March 10, 1941.

## PENNSYLVANIA

Thomas J. Murphy, Ashville, Pa. Office became Presidential July 1, 1944.

Sophie M. Winebrenner, Bradenville, Pa. Office became Presidential July 1, 1944.

Mildred V. Miller, Chadds Ford, Pa. Office became Presidential July 1, 1944.

Edward Dworak, Kelayres, Pa. Office became Presidential July 1, 1944.

Walter H. Davis, Klingerstown, Pa. Office became Presidential July 1, 1944.

Eli R. Witmer, Lampeter, Pa. Office became Presidential July 1, 1944.

Fred W. Patterson, Lattimer Mines, Pa. Office became Presidential July 1, 1944.

Elen Nora Robinson, Lloydell, Pa. Office became Presidential July 1, 1944.

Anna Belle Smith, Madison, Pa. Office became Presidential July 1, 1944.

Edgar J. Burkett, Manns Choice, Pa. Office became Presidential July 1, 1944.

Katherine M. Norton, Marsteller, Pa. Office became Presidential July 1, 1944.

Ida L. Buskirk, Martins Creek, Pa. Office became Presidential July 1, 1944.

Edwin Zimmerman, Newmanstown, Pa. Office became Presidential July 1, 1943.

Ralph B. Fields, Newton Hamilton, Pa. Office became Presidential July 1, 1944.

Noah B. Becker, Perkiomenville, Pa. Office became Presidential July 1, 1944.

Anna Bissey, Pipersville, Pa. Office became Presidential July 1, 1944.

Robert D. Hoffecker, Ronks, Pa. Office became Presidential July 1, 1944.

Viola Cleland, Rutledge, Pa., in place of P. B. Thompson, resigned.

Edith M. Frey, South Heights, Pa. Office became Presidential July 1, 1944.

Francis R. Murphy, Swedeland, Pa. Office became Presidential July 1, 1944.

Sara M. Gilpin, Tarrs, Pa. Office became Presidential July 1, 1944.

Margaret Melva Mains, Westmoreland City, Pa. Office became Presidential July 1, 1944.

Theresa A. Giacomelli, Willock, Pa. Office became Presidential July 1, 1944.

## PUERTO RICO

Victor M. Monrouzeau, Arecibo, P. R., in place of M. O. Reyes, transferred.

## SOUTH CAROLINA

Grace H. Bagnal, Aynor, S. C. Office became Presidential July 1, 1943.

## SOUTH DAKOTA

Florence M. Hausman, Chester, S. Dak. Office became Presidential July 1, 1944.

Annie McBride, Harrisburg, S. Dak. Office became Presidential July 1, 1944.

Allen A. Benson, Ravinia, S. Dak., in place of C. F. Silvis, transferred.

Tulla H. Simpson, Vebien, S. Dak., in place of J. L. Simpson, deceased.

## TENNESSEE

Clyde Zimmerman, Belvidere, Tenn. Office became Presidential July 1, 1944.

Ruth J. Way, Bloomington Springs, Tenn. Office became Presidential July 1, 1944.

Ova Allred, Crawford, Tenn. Office became Presidential July 1, 1944.

Etoile Johnson, Doyle, Tenn. Office became Presidential July 1, 1944.

Belle Emert, Walland, Tenn. Office became Presidential July 1, 1944.

Mabel B. Baggett, Whitehouse, Tenn. Office became Presidential July 1, 1944.

## TEXAS

Mattie G. Brown, Centerville, Tex., in place of V. D. Brown, deceased.

Henry M. Hollis, Frankston, Tex., in place of S. M. Perry. Incumbent's commission expired June 23, 1942.

Ethel C. Key, Desdemona, Tex. Office became Presidential July 1, 1944.

Jim B. Dickey, Pottsboro, Tex., in place of W. P. Hardwick, retired.

Clara M. Davis, Ringgold, Tex., in place of M. L. Carlton, transferred.

## UTAH

John R. Sorenson, Emery, Utah. Office became Presidential July 1, 1944.

## VIRGINIA

Roy G. Boatwright, Coeburn, Va., in place of C. D. Lay. Incumbent's commission expired June 23, 1942.

J. Herbert Norton, Deltaville, Va. Office became Presidential July 1, 1944.

Lillie M. Biggs, Patrick Springs, Va. Office became Presidential July 1, 1944.

## WASHINGTON

Joseph F. Ladley, Elma, Wash., in place of L. F. Nelson, removed.

## WEST VIRGINIA

Robert L. Martin, Branchland, W. Va., in place of Mabel M. Messinger, removed.

Doris Altizer, Ethel, W. Va. Office became Presidential July 1, 1943.

Ercell C. Hutchinson, Salt Rock, W. Va. Office became Presidential July 1, 1944.

## WISCONSIN

Erna M. Dohm, Dane, Wis. Office became Presidential July 1, 1944.

John C. Esse, DeForest, Wis., in place of Carl Newton, deceased.

Nicholas A. Braun, Eden, Wis. Office became Presidential July 1, 1944.

Arthus Nortwen, Conover, Wis. Office became Presidential July 1, 1944.

## WYOMING

Vernon M. Sandman, Albin, Wyo., in place of J. A. Anderson, retired.



## Surplus Property Bill

### EXTENSION OF REMARKS

OF

**HON. JOHN J. COCHRAN**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1944

Mr. COCHRAN. Mr. Speaker, I expected, as I said on the floor, there would be criticism of the agreement between the Senate and House conferees in reference to the surplus-property bill.

Any one who has watched the administration of important public laws can reach no decision other than that more efficient public service can be rendered by a one-man administrator than by a board. That was the position your committee took when we reported the bill to the House. It was the position the House took when the bill was passed. It was the position your conferees took for 3 long weeks in conference.

There was a parliamentary situation that entered into this matter. The conferees were considering one amendment. They could not bring the bill back to the House agreeing on one portion and disagreeing to another. It required that the conferees either agree or disagree. To disagree meant that there would be no legislation.

The President has repeatedly asked the Congress to pass surplus property legislation. The House passed a bill over a year ago but it never saw the light of day in the Senate. It was then the President set up by Executive order the Surplus Property Administration. Criticism has been directed at the President for the many Executive orders he has found necessary to issue during the period of the war. Many of those who voted to recommit have been outstanding in their criticism saying that the President should have let the Congress handle the matter. However when you have dozens upon dozens of laws providing for the disposition of surplus property there could be nothing but chaos if something had not been done by the President. He had no desire to issue an Executive order to handle this matter as shown by the fact that he did again appeal to Congress for this legislation. The truth of this matter is we were shirking our responsibility by not providing the legislation.

As I have previously stated the Committee on Expenditures of the House followed the recommendations of the Administrator, Mr. William L. Clayton, as well as the recommendations in the Baruch-Hancock report. When we were deadlocked there was nothing that we could do but to reach a compromise and the three-man board all appointed by the President with the President naming the chairman, was the best solution we could arrive at. Your conferees have repeatedly said we were not pleased with this agreement, but it was necessary in order to dispose of this matter that the compromise be accepted.

There has come to my attention an article by Robert Coughlan printed in the Life magazine of September 18. As

part of my remarks, Mr. Speaker, I include extracts from Mr. Coughlan's article. They follow:

The most dramatic thing about the other big recent argument, which concerns disposal of surplus war goods, is the sheer size of the problem. Nobody agrees about the figure. It is a fact that the Government has invested \$15,000,000,000 in 1,200 new plants. But a certain share of these are special-purpose buildings that cannot be converted. Others are either temporary structures or were built in locations where economic conditions make it unlikely that they could be put to profitable commercial use. As for the goods and materials that will be left over, it is almost impossible to predict what they will be worth, since no one can say when the war will end or under what conditions. Various figure-happy economists and Congressmen have made estimates ranging from \$30,000,000,000 to \$103,000,000,000 as the total cost of the surplus. But cost means nothing. It is what an item is worth on the market that counts. A General Sherman tank costs almost \$100,000 to build, but its salvage value is only a few hundred dollars.

The best guesses as to the value of the consumer-goods surplus run from \$6,000,000,000 to \$10,000,000,000. These figures can be brought into focus by remembering that the biggest year's sales of Sears, Roebuck & Co., the nation's biggest merchant, were less than \$1,000,000,000. Add to these a few billions for the theoretical value of the excess plants and the total becomes more than even a normal Roosevelt budget. It is easy to see that the men in charge of siphoning all these assets back into the peacetime market, and the policies they use in doing so, could wreck the economic system or change it in a number of important ways.

Accordingly, the present argument has two parts: who should handle disposal and how it should be done? Last winter the President set up a Surplus War Property Administration in O. W. M., and made it a one-man job. The appointee was William L. Clayton, one of the best administrators in Washington, who had been a successful Texas businessman before joining the Government. Clayton wisely confined himself to exploring the problem and shaping policy, turning the actual disposal of goods over to appropriate Government agencies. Food disposal went to the Food Administration, ships to the Maritime Commission, and so on. The general policies laid down to guide them were not codified, but were unofficially those stated in the Baruch-Hancock report: sell as much and as fast as possible without "unduly disrupting normal trade"; sell nothing to speculators or promoters; use regular channels of trade if possible, but avoid encouraging monopolists; sell at fair market prices in full public sight and use the money to help retire the national debt; scrap nothing that can be used; sell or give away nothing that could be used to improve America's productive efficiency.

Since Clayton's authority rested on an Executive order rather than on an act of Congress, there was some question as to how far it reached. In any event, Congress could hardly have stayed aloof from such a multi-billion question. Last month, on the same day, the House passed a surplus-disposal bill and the Senate Military Affairs Committee reported a bill to the Senate floor. They differed on both parts of the argument. The House bill left the policy-making authority centralized under a single administrator with a 17-man advisory board that had the power of veto on any war-plant sale of \$1,000,000 or more. The Senate bill set up an 8-man board in place of Clayton's office, and separated policy over the important items of food, cotton, and woolen goods, and farm lands from even the proposed board.

## SOCIAL PLANNERS VERSUS MIDDLE-ROADERS

In the maneuvers that surrounded the passage of these opposed bills, the right and left were again at odds. The left sees in surplus disposal all sorts of opportunities: to resettle migrants, returning soldiers, and idle industrial workers on small homesteads; to use surplus goods as unemployment relief; to nationalize surplus plants and start production for use; to decentralize industry, and so on. It favored the Senate committee's 8-man board because it would be sure to have representation on it and could hope to dominate it. Similarly, it endorsed the disposal of lands (of which the Government has acquired more than 30,000,000 acres since the war began) by Agriculture and Interior, where it has strong influence rather than by the hard-shelled Reconstruction Finance Corporation, where Clayton had recommended that it be placed pending instructions from Congress. The elements of the right, for their part, have no dreams except one of attaining sound national prosperity. They want surplus goods absorbed into the economic stream with as little disruption and commotion as possible. In one-man rule they see a steady influence, and in Will Clayton they see a practical middle-of-the-road businessman.

The citizen can take his choice of objectives. But his judgment of methods should be influenced by this one fact: rule-by-Government-board has never worked well in such a matter as this and probably never will. The Federal Reserve Board, the Interstate Commerce Commission and such are one thing. A board freighted with billions of dollars' worth of live political issues is quite another.

## Let's Not Wipe Out the Game Birds

### EXTENSION OF REMARKS

OF

**HON. HOMER D. ANGELL**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, September 18, 1944

Mr. ANGELL. Mr. Speaker, I am sure every Member of the House is fully advised as to the great value of game birds as a national asset. As a member of the Select Committee on Conservation of Wildlife Resources, I was interested in reading the editorial which appeared in the Saturday Evening Post in its issue of September 2, 1944. I trust that those of you who have not read this interesting and factual statement will do so and for that reason I am including it as a part of my remarks. The editorial follows:

LET'S NOT WIPE OUT THE GAME BIRDS

(By Herbert Ravenel Sass)

In New England, in the fall of 1766, there was indignation among housewives. The price of prime wild turkeys, dressed, had risen to 2½ pence per pound. By 1788, the heaving bosoms of the housewives harbored not only indignation but dismay. Wild-turkey prices had soared to the outrageous level of 3 pence per pound.

It is hard to believe today that 3 pennies a pound was once considered steep for the finest game bird in the world. But in 1800, in Kentucky, those 3 pennies would have bought a whole wild turkey. Nor is this matter of prices the most impressive evidence of the wild turkey's early abundance. Just before the Revolution, William Bartram, one of the best naturalists we've ever had, describing his travels through Carolina, Georgia, and Florida, wrote:



"I was awakened in the morning early by the cheering converse of the wild-turkey cocks saluting each other. The high forests ring with the noise \* \* \* the watchword being caught and repeated from one to another for hundreds of miles around; inasmuch that the whole country is, for an hour or more, in a universal shout."

The spring chorus of the wild-turkey cocks was one of the most wonderful bird choruses ever heard in the world. Another wild chorus which also told a tale of incalculable numbers floated down to earth each fall as hordes of migrating wildfowl moved southward to the Gulf.

These wildfowl were of many kinds—swans, geese, ducks, coots, plovers, godwits, avocets, and curlews—which seemed literally as numberless as the grass leaves of the prairie. Grandest of all were the trumpeter swans and the giant whooping cranes. In the year 1811 wrote the naturalist, Thomas Nuttall, "While leisurely descending on the bosom of the Mississippi in one of the trading boats of that period, I had an opportunity of witnessing one of these vast migrations of the whooping cranes. \* \* \* The clangor of these numerous legions passing along high in the air seemed almost deafening \* \* \* and as the vocal call continued nearly throughout the whole night without intermission, some idea may be formed of the immensity of the numbers now assembled on their annual journey to the regions of the South."

There was still another wild chorus greater than either of these. It was not a vocal chorus, but a mighty music made by billions of winnowing wings and billions of arrowy, streamlined bodies rushing through the air. It would begin like distant thunder; swiftly the sound would grow louder, until it was a tornadolike roar. The woods would grow dark, the air chill, the roar overhead so tremendous that men standing close together could scarcely hear one another shout. This would continue not for a minute or 2, but for hours, perhaps all day. It was the passage of the wild pigeons, a host so huge that when they came to rest, they covered every tree in 100,000 acres of forest.

All this is important to us now. If we realize how immense were these feathered hosts of the past, we shall begin to realize how quickly and completely man can wipe out whole species of game birds. Today not a passenger pigeon exists. The Eskimo curlew, next to the pigeon probably our most abundant game bird, has been totally destroyed, and most other shore birds have been decimated. The clanging legions of the whooping cranes and trumpeter swans are only a legend. Our few wild turkeys are a pitiful remnant of that magnificent multitude whose triumphant chorus once rolled across half the continent. So completely have these vast bird armies been obliterated that it is hard for us really to believe that they ever existed.

It was partly, but by no means wholly, market hunting that annihilated this immense store of feathered game. When it had been destroyed, we still have one important feathered host left to us—the ducks. Presently, market hunting was outlawed, and many believed that this eliminated all danger of another tragedy. Yet we came, not long ago, uncomfortably near to destroying the ducks, too.

For the market hunters and other hunters of the past, with their comparatively crude guns, weak gunpowder, and horse-and-buggy transportation, had been succeeded by a much larger army of sportsmen, equipped with far deadlier weapons and able, thanks to the automobile, to cover 10 times as much ground as the old market hunters. One generation of these modern motorized hunters could kill more birds than all the market hunters of the last two centuries combined. It is not surprising, therefore, that the ducks,

too, were swiftly reduced. Fortunately, the sportsmen awoke to the peril and, since their low ebb, about 1934, ducks have shown a large and gratifying increase.

Today, that very fact brings its danger. Because ducks have increased, some are crying, "Let down the bars!" A moderate reduction of the Federal restrictions may now be feasible, but no such step should be taken without the most careful study, for the present situation, so favorable on its surface, may easily bring a repetition of the tragic past. A very large post-war increase in the number of hunters is certain, and this is going to put an unprecedented strain on the ducks.

The number of ducks—and of all other game birds—is still well below the natural ceiling imposed by the food supply. Because a very large duck population will be needed to balance, and to survive, the expected great increase of hunters, we should by all means build the duck population right up to that ceiling.

This, indeed, may well be the only way to avert a disaster ruinous to both the ducks and the sportsmen. It is certainly the only policy fair to the millions of our young men now engaged in defending this land overseas—the young men who will be the American sportsmen of tomorrow and who hope to come back to an America that sportsmen can enjoy.

### "Clear Everything With Sidney" Again and Again and Again

#### EXTENSION OF REMARKS

OF

#### HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 1944

Mr. PLUMLEY. Mr. Speaker, the administration's strategists have a deeper worry than that growing out of the fact that the most recent polls show Governor Dewey gaining strength in what are known as the "indispensable" States, while a corresponding shrinkage of Roosevelt strength shows up. So says Frant Kent in his Great Game of Politics column.

The vote in Maine gives them some more to think about also.

Then it is a fact, as Governor Dewey said last night at Seattle:

Among the things which have been holding us back here at home is an administration labor policy which has bred class division, hate, and insecurity. I can say without qualification that the labor policy of this administration has been one of delays, bungling, and incompetence. It has put untold obstacles in the way of labor's effort to avoid wartime strikes. It has fostered strife between one labor group and another, between labor and business, and between both and Government. It has affronted the wage earner by reducing his basic rights to the level of political reward. It has made the wage earner's pay envelope and his hours and conditions of work a football of politics. The labor policies of this administration are another reason why it is time for a change.

What worries the fourth-term candidate's managers most is that the support of Sidney Hillman with his P. A. C.-C. I. O. and Communist fellow-travelers has become a genuine liability.

It has shocked them how quickly the country seized hold of that trenchant phrase—"Clear everything with Sidney"—and how general is the disbelief of Mr. Hannegan's passionate denial that he was ever thus instructed by Mr. Roosevelt.

#### REASON MADE PLAIN

The reason for the disbelief, of course, is that it was made so completely plain at the convention that everything was being "cleared with Sidney."

Ask "Jimmie" Byrnes who gave up a life job as Justice of the Supreme Court of the United States to help the President, and then when he had 400 delegates lined up to nominate him as Vice President was forced by Hannegan and Hillman to withdraw from the race, which he did—"in deference to the wishes of the President."

Frank Kent suggests that, apparently, the idea is finally percolating into the popular mind that the link between the President of the United States and this radical labor leader with his Russian background, his Communist associations, and high-pressure methods is thoroughly unwholesome and deeply repugnant to the instincts of the average American man and woman.

People are beginning really to gag over it, and the reason for the present perturbation in the higher fourth-term circles is because they realize it.

#### THE FARMERS ARE MAD

The farmers are aroused, particularly in the dairy States. They are as mad as hatters. Well they might be. They read the RECORD and the papers. Vermont farmers know that Jay Franklin, one of the semiofficial mouthpieces of the New Deal, said not long ago that:

The American farmer as a political institution is a danger to our civilization. \* \* \* The problem of farm relief will become not—"How shall we relieve the farmer?" but "Who shall relieve us of the farmer?"

They have spoken to me about that.

You cannot laugh off such statements from New Deal spokesmen. You cannot laugh off the fact that Mr. H. S. Hadlock, representative of the C. I. O., who testified in June 1944 before the Small Businessmen's Committee, said:

Speaking of butter, it should be rolled back to 25 cents a pound. \* \* \* A farmer at 25 cents a pound for butter, if he utilized all his milk products, should make 12 cents per pound.

And then he said:

I think the facts are available to show that during this time the country would be much better off if they had stopped producing the butter altogether (goodness, goodness, Agnes, my interpolation), and I will make that as a positive statement.

The people who cannot get any butter today can thank the New Deal for their situation.

The New Deal strategists have a right to be worried.

#### ON THE DEFENSIVE

From the start they have been on the defensive about Mr. Hillman. They have no real defense and they cannot make







Note :- See index on green sheet  
filed after this law

[PUBLIC LAW 457—78TH CONGRESS]

[CHAPTER 479—2D SESSION]

[H. R. 5125]

AN ACT

To aid the reconversion from a war to a peace economy through the distribution of Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Surplus Property Act of 1944".

OBJECTIVES

SEC. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for war purposes and the common defense;

(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

(g) to encourage and foster post-war employment opportunities;

(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

(j) to avoid dislocations of the domestic economy and of international economic relations;

(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

(l) to effect broad and equitable distribution of surplus property;



(m) to achieve the prompt and full utilization of surplus property at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

(p) to foster the development of new independent enterprise;

(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

(s) to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

#### DEFINITIONS

##### SEC. 3. As used in this Act—

(a) The term "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency", in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

(h) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(i) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(j) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

(k) The term "veteran" means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

#### DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

#### SURPLUS PROPERTY BOARD

SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the "Board"), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such



member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.

(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

#### DUTIES AND AUTHORITY OF BOARD

SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

#### COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

#### DELEGATION OF AUTHORITY

SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

#### REGULATIONS

SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not

inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

(d) Regulations prescribed under this Act shall be published in the Federal Register.

#### DESIGNATION OF DISPOSAL AGENCIES

SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

#### DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

(c) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the agency deems consistent with national security.

(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.



(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

#### UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

SEC. 12. (a) It shall be the duty of the Board to facilitate the transfer of surplus property from one Government agency to other Government agencies for their use; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act.

(b) It shall be the responsibility of all Government agencies, in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not so doing.

(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Board, unless transfer without reimbursement or transfer of funds is otherwise authorized by law.

#### DISPOSAL TO LOCAL GOVERNMENTS AND NONPROFIT INSTITUTIONS

SEC. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

(1) (A) Surplus property that is appropriate for school, classroom, or other educational use may be sold or leased to

the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other non-profit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(2) Surplus property shall be disposed of so as to afford public and governmental institutions, non-profit or tax-supported educational institutions, charitable and eleemosynary institutions, non-profit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any non-profit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until thirty days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such thirty-day period) and an attempt has been made within such thirty days to dispose of such property otherwise than by destruction.

(c) No airport and no harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Board, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.

(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this Act is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold,



leased for more than one year, or otherwise disposed of, except as provided in section 12 or this section, unless specifically authorized by Act of Congress.

(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this Act except transfers under section 12.

#### DISPOSITION BY OWNING AGENCY

SEC. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of strategic minerals and metals, as defined in section 22.

(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

## METHODS OF DISPOSITION

SEC. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: *Provided, however,* That in the case of raw materials, consumer goods, and small tools, hardware, and nonassembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

## DISPOSITIONS TO VETERANS

SEC. 16. The Board shall prescribe regulations to effectuate the objectives of this Act to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this Act in the acquisition of the types of surplus property useful in such enterprises.

## DISPOSITIONS IN RURAL AREAS

SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

## SMALL BUSINESS

SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with



the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.

(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.

(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.

(e) The Smaller War Plants Corporation shall have the power to purchase any surplus property for resale, subject to regulations of the Board, to small business (and is empowered to receive other property in exchange as partial or full payment therefor), when in its judgment, such disposition is required to preserve and strengthen the competitive position of small business, or will assist the Corporation in the discharge of the duties and responsibilities imposed upon it. The provisions of subsections (a) and (c) of section 12 shall be applicable to purchases made by the Smaller War Plants Corporation under this subsection.

(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the disposal agencies, to arrange for sales of surplus property to small business concerns on credit or time bases.

#### DISPOSAL OF PLANTS

SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

(A) Describing the amount, cost, and location of the property

and setting forth other descriptive information relative to the use of the property;

(B) Outlining the economic problems that may be created by disposition of the property;

(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.

(d) The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

#### APPLICABILITY OF ANTITRUST LAWS

SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates



the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

#### DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 21. (a) Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(b) The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: *Provided*, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

#### STOCK PILING

SEC. 22. (a) All Government-owned accumulations of strategic minerals and metals, including those owned by any Government corporation, shall be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions: *Provided*, That contractor inventory shall be so transferred only when the owning agency has taken possession of and determined such inventory to be surplus. The minerals and

metals may be transferred in any form in which they are held, but the owning agency or the Treasury Procurement Division is authorized either before or after such legal transfer to cause such minerals or metals to be put into forms best suited for storage and use for the common defense. As used in this section the phrase "strategic minerals and metals" means copper, lead, zinc, tin, magnesium, manganese, chromite, nickel, molybdenum, tungsten, mercury, mica, quartz crystals, industrial diamonds, cadmium, fluorspar, cobalt, tantalite, antimony, vanadium, platinum, beryl, graphite (and to which may be added aluminum or any other minerals or metals in such quantities or amounts as the Army and Navy Munitions Board may determine to be necessary for the stock pile authorized by the Act of June 7, 1939), and shall include ores, concentrates, alloys, scrap, and partially and completely fabricated articles of which the principal components by value consist of such minerals and metals, but shall not include such fabricated articles as the Army and Navy determine are not suitable for their use in the form in which fabricated and which may be disposed of commercially at value substantially in excess of the metal market price of the component minerals and metals of such fabricated articles.

(b) Pending a determination by the War Production Board that the supplies of the respective strategic minerals and metals available to industry are sufficient to meet the current requirements of industry, the owning agency subject to the regulations prescribed by the Surplus Property Board shall withhold from transfer under this section an amount of such minerals and metals equal to the deficiency, if any, estimated by the War Production Board as likely to exist for the requirements of industry for a period of six months for purposes other than war production; and may dispose of the minerals and metals so withheld to the extent necessary to meet any such deficiency actually found to exist by the War Production Board, at the market price of the respective minerals and metals.

(c) Any Government-owned accumulations of strategic materials shall at the request of the War and Navy Departments be transferred by the owning agency, when determined to be surplus pursuant to this Act, to the account of the Treasury Procurement Division and shall be added to the stock pile authorized by the Act of June 7, 1939 (53 Stat. 811), as amended, and shall be subject to its provisions. The materials may be transferred in any form in which they are held and they shall thereafter be put into forms best suited for storage and use for the common defense. The term "strategic materials" as used in this subsection means all materials except strategic minerals and metals as defined in subsection (a) of this section and includes all materials in group A or in group B of the list of strategic and critical materials determined upon by the Army and Navy Munitions Board on March 6, 1944, as amended from time to time, but shall not include any of such materials which the Army and Navy determine do not meet the specifications suitable for common defense or are in excess of the needs thereof. The Army and Navy Munitions Board is authorized to direct the removal from the list of any of the materials as defined in this subsection, in which event they shall be disposed of under the provisions of this Act.



(d) Within three months following the enactment of this Act the Army and Navy Munitions Board shall submit to Congress its recommendations respecting the maximum and minimum amounts of each strategic mineral or metal which in its opinion should be held in the stock pile authorized by the Act of June 7, 1939. After one year from the submission of such recommendations, unless the Congress provides otherwise by law, the Board may authorize the proper disposal agencies to dispose of any Government-owned accumulations of strategic minerals and metals including those owned by any Government corporation when determined to be surplus pursuant to this Act.

#### DISPOSAL OF SURPLUS REAL PROPERTY

SEC. 23. (a) As used in this section—

(1) The term "real property" means property consisting of land, together with any fixtures and improvements thereon, located outside of the District of Columbia, but does not include war housing, industrial plants, factories, or similar structures and facilities, or the sites thereof, or land which the Board determines is essential to the use of any of the foregoing; and

(2) The term "surplus real property" means real property which has been determined under section 11 to be surplus property.

(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time.

(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of ninety days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.

(B) In the case of real property acquired by any Government agency after December 31, 1939, which either—

(i) has not been determined under section 11 to be surplus property, or

(ii) has been disposed of under section 12 or 13, or

(iii) is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A),

the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.

(2) In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.

(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

(4) The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privileges conferred by this subsection.

(e) If any surplus real property is not disposed of under subsection (d)—

(1) such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and

(2) such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.

(f) (1) Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.

(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board



shall prescribe the time within which application shall be made and shall give such notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

(h) A certificate by the disposal agency that the provisions of subsections (d), (f), and (g) have been complied with in the case of any property and that no qualified applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

(i) In the case of surplus real property which is classified as suitable for agricultural use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (e) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

(j) In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

## REPORTS TO CONGRESS

SEC. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

## TITLE OF PURCHASER

SEC. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.

## CIVIL REMEDIES AND PENALTIES

SEC. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

(b) Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agreement, combination, or conspiracy to do any of the foregoing—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

(3) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or com-



mitting such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

#### PRACTICE BY FORMER EMPLOYEES

SEC. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.

#### STATUTE OF LIMITATIONS

SEC. 28. The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

#### MISCELLANEOUS PROVISIONS

SEC. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.

### DISPOSITION OF PROCEEDS

SEC. 30. (a) All proceeds from any transfer or disposition of property under this Act shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.

### USE OF APPROPRIATED FUNDS

SEC. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.



## DISPOSITIONS OUTSIDE UNITED STATES

SEC. 32. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

(b) The provisions of this Act shall be applicable to dispositions of property within the United States and elsewhere, but the Board may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, its Territories and possessions, whenever it deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act.

## RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

SEC. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the importation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

## SAVING PROVISIONS

SEC. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, as amended, respecting war housing and facilities; the Act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the

internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

#### TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

SEC. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Numbered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

#### TERMINATION INVENTORIES

SEC. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

(b) In advance of termination, to the maximum extent practicable—

(1) each contracting agency shall advise its war contractors of the classes of termination inventory the contracting agency will wish to retain for military purposes; and

(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

(e) For the purposes of this section, the terms "contracting agency", "termination inventory", and "war contractor" shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

#### INCREASE IN LOAN RATE ON COTTON

SEC. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities),



is amended by striking out "at the rate in the case of cotton of 92½ per centum" and inserting in lieu thereof "at the rate in the case of cotton of 95 per centum".

(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

#### EXPIRATION DATE

SEC. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term "date of the cessation of hostilities in the present war" means the date proclaimed by the President as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such cessation, whichever is the earlier.

#### SEPARABILITY OF PROVISIONS

SEC. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Approved October 3, 1944.







6. INDEX TO SURPLUS PROPERTY ACT OF 1944

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## HISTORICAL LEGISLATIVE-REFERENCE SERVICE:

This work is performed by Mrs. Phola J. Hetfield, a member of the Department Library Staff, and the service can be obtained by personal visit or letter to Room 112 Admin. Bldg., or by telephoning Ext. 4654.

### 1. Legislative Case Histories

For reference and lending purposes, Mrs. Hetfield prepares and maintains "case histories" of the more important legislation affecting agriculture. These histories consist of the various prints of the bills, hearings, committee reports, debate (indexed in some cases), and laws, together with chronological statements of the legislative actions, summaries of the provisions of the legislation, and frequently other informative material with respect thereto. A large portion of these compilations for the 77th and 78th Congresses (1941-1944) has been completed.

For legislation from 1925 to 1941 these individual legislative histories are available in only a few instances although, in the case of the most important legislation during this period, an attempt is being made to develop such compilations to the extent that copies of the necessary publications can be obtained. For this period, however, chronological compilations for most agricultural legislation have been prepared, but not in the form of an individual compilation for each act. These chronological compilations do not include hearings or debate. However, Mrs. Hetfield will be glad to assemble the necessary material for a complete history on any of this legislation by marking the debate in the bound volumes of the Congressional Record and obtaining hearings with respect thereto.

### 2. File Copies of Legislative Material, Arranged Numerically

For the 77th and subsequent Congresses, after their final adjournment, Mrs. Hetfield will maintain numerically arranged copies of each bill or other item of legislative material of official interest to the Department, for reference and lending purposes. These copies will serve as a basis for temporary compilations regarding particular items of legislation when it would not be worth while to prepare individual case histories for permanent use.

### 3. Consolidated Index for Past Congresses

Mrs. Hetfield assists the Legislative Reports and Service Section in indexing the current-Congress legislative material, by designating uniform headings in such a manner that, when a Congress has finally adjourned, the indexes can be made a part of a consolidated index for material of past Congresses. Indexes to agricultural bills and other legislative material are available for the period beginning with 1925.

### 4. Bound Copies of the Congressional Record

For reference and lending purposes, Mrs. Hetfield maintains a set of Congressional Records beginning with 1900. The Legal Section of the Library (Room 2016 South Bldg., Ext. 5577) maintains a set beginning with 1873, with a few of the early volumes missing.

OCTOBER 3, 1944

No. 10

## STATEMENT BY THE PRESIDENT

On February 21, 1943, I signed an Executive Order setting up the Surplus War Property Administration to direct and expedite the orderly disposition of surplus war property so far as possible under existing law, pending action by the Congress.

H.R. 5125, the Surplus Property Disposal Act of 1944, which is before me for signature, places the general disposition of surplus war property under a Board of three and provides in considerable detail the methods to be pursued by the Board.

It is with considerable reluctance that I have decided to sign this bill. While I am in full accord with the declared objectives of the bill which are to aid reconversion from a war to a peace economy and to facilitate the orderly disposal of surplus property, I have considerable doubt whether many provisions of the bill will not make extremely difficult the accomplishment of its objectives. There is danger that the confused methods of disposition and the elaborate restrictions imposed by the bill will in many instances delay rather than expedite reconversion and reemployment. Our surplus property should speedily be placed into channels of disposition which should provide the most jobs and the greatest good for the greatest number.

But we must be in a position to get on with the organization of our plans for the disposition of surplus war property. I have, therefore, concluded that it would be best to let the bill become law in the hope that after the Surplus Property Board provided for in the bill has had some experience in operating under it, the Congress will give careful consideration to needed changes which may be suggested by the Board.











10-13

TEXT OF SURPLUS WAR PROPERTY REGULATION NO. 1  
with  
AMENDMENTS PROMULGATED BY SUPPLEMENTS 1 and 2 INTERPOLATED  
COMPILED BY EQUIPMENT AND ENGINEERING  
SERVICES DIVISION, OFFICE OF PLANT AND OPERATIONS  
October 10, 1944

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SURPLUS WAR PROPERTY ADMINISTRATION  
REGULATION NO. 1  
SCOPE OF REGULATION

This first regulation is designed primarily to advise Federal agencies which possess or control property which is in excess of their needs as to the forms and procedures to be followed in declaring such property surplus and as to the relative duties and responsibilities of such agencies and of the disposal agencies with respect to property so declared surplus. It does not deal in detail with the methods and policies to be followed by the disposal agencies, either in redistributing the property to other Federal agencies or in disposing of it elsewhere, nor with the financial and accounting responsibilities of the disposal agencies.

Scope of supplement 1 - This supplement has three primary purposes:

- (1) To extend the effectiveness of the Administration's Regulation No. 1, dated May 8, 1944 (9 F.R. 5096), as hereby amended, to surplus war property of all agencies, with the exceptions herein stated.
- (2) To amend Regulation No. 1 in certain respects which are rendered desirable by its extension to cover surplus war property of all agencies.
- (3) To amend Regulation No. 1 in additional respects found appropriate as the result of experience and by expanding its scope to include real estate not previously covered.

This supplement shall become effective on August 1, 1944.

Scope of supplement 2 - The purpose of this supplement is to set forth a number of miscellaneous amendments that have been made in Regulation No. 1 (F.R. 5096) since Supplement No. 1 was issued under date of July 26, 1944 (9 F.R. 9182). These include: the designation of a single disposal agency in certain territories and possessions, central reporting of all surplus food to the Washington office of the War Food Administration, increase of the "nominal quantities" provision from \$1,000 to \$2,500, and a number of changes of assignment of specific articles or classes of articles from one disposal agency to another.

Effectiveness. This supplement is effective September 29, 1944.

Regulation No. 1, as hereby amended, is hereby made effective with respect to surplus war property of all agencies, with the following exceptions and qualifications which are subject to change by further regulations:

- (1) The Administration does not deem it feasible to assign to the disposal agencies herein named surplus war property of the Tennessee Valley Authority with respect to which that corporation has a statutory power



and duty of disposal. That corporation, however, (a) shall coordinate its disposal policies and procedures with those of the disposal agencies hereunder so as to avoid competitive sales, (b) shall report surplus war property to the appropriate disposal agency for disposition whenever it deems such reporting consistent with its statutory duties and desirable in the interests of coordinated disposal, and (c) shall report to the appropriate office of the appropriate disposal agency, in such a manner and at such times as each such disposal agency shall direct, all dispositions which would be under the jurisdiction of such disposal agency, or would be reported to such disposal agency, if this regulation were fully effective with respect to Tennessee Valley Authority.

(2) The Administration does not deem it feasible to assign to the disposal agencies herein named surplus war property in the possession or control of the foreign establishments of the State Department, when disposed of abroad in accordance with section IV-5 of the Foreign Service Regulations of the State Department.

(3) By direct action without formal amendment to this regulation, the Administration may exempt surplus war property, or any type or class thereof, in the control of any agency from the operation of some or all of the provisions hereof.

#### DEFINITIONS

As used in regulations of the Surplus War Property Administration, unless otherwise therein stated,

(a) "Agency" means any executive department, independent establishment, agency, commission, board, bureau, division, administration, office, service, independent regulatory commission or board of the Federal Government, and any corporation owned or controlled by the Federal Government.

(b) "Surplus war property" means any property, real or personal, including but not limited to plants, facilities, equipment, machines, accessories, parts, assemblies, products, commodities, materials, and supplies in the possession of or controlled by any agency, whether new or used, in use or in storage, which are in excess of the needs of such agency or are not required for the performance of the duties and functions of such agency and which are determined, subject to the authority of the Office of War Mobilization, to be surplus by such agency.

(c) "Owning agency" means the agency having possession or control of surplus war property at the time when it is determined to be surplus by such agency.

(d) "Disposal agency" means the agency to which, by this regulation or by other action of the Surplus War Property Administration, surplus war property of a specified class is assigned for disposition.

(e) "Administration" means the Surplus War Property Administration established by Executive Order No. 9425 dated February 19, 1944.

(f) "Continental United States, its territories and possessions" shall include Alaska, Hawaii, Puerto Rico, the Philippine Islands, the Virgin Islands and the Panama Canal Zone.

# I. DESIGNATION OF DISPOSAL AGENCIES

A. Procurement Division, Treasury Department. There is hereby assigned to the Procurement Division of the Treasury Department for disposition all surplus war property of the classes set forth under its name in Exhibit I to this regulation. Such classes of property are herein called consumer goods and are the only classes of property which the Administration deems it feasible so to assign.

B. Reconstruction Finance Corporation. There is hereby assigned to the Reconstruction Finance Corporation for disposition all surplus war property of the following classes:

(1) All industrial real property, and all other real property of every character of which the owning agency is the War Department, the Navy Department, the National Housing Agency, the United States Maritime Commission or Reconstruction Finance Corporation or a subsidiary thereof, including buildings and fixtures, other than real property disposed of under part I C, I E, or I F (2) hereof.

(2) Such personal property, including machinery and other equipment, materials, and products finished or in process as are reported as surplus to Reconstruction Finance Corporation by the owning agency as an integral whole in conjunction with the plant or other real property where they are located, and as should in the judgment of Reconstruction Finance Corporation be disposed of as a unit. If not so disposed of, such personal property is hereby assigned to the disposal agency otherwise appropriate hereunder.

(3) The classes set forth under its name in Exhibit I to this regulation.

The foregoing classes of property are herein called capital and producers' goods. In disposition, Reconstruction Finance Corporation may act directly or through any of its subsidiary corporations, created pursuant to Section 5d (3) of the Reconstruction Finance Act, as amended, designated by it. Except as above stated, the Administration does not deem it feasible to assign property for disposition to a subsidiary of Reconstruction Finance Corporation.

C. United States Maritime Commission and Navy Department. There is hereby assigned to the Maritime Commission for disposition all surplus war property of the following classes:

(1) Shipyards, repair yards, marine terminals and similar marine real property including buildings and fixtures. If, however, the Maritime Commission shall determine that any such property should not be disposed of for the purpose of making it available for use in connection with building, repair, or operation of ships, such property shall constitute industrial real property and be assigned to Reconstruction Finance Corporation.



(2) Such personal property, including machinery and other equipment, materials and products finished or in process as are reported as surplus to the Maritime Commission by the owning agency as an integral whole in conjunction with the maritime real property where they are located, and as should in the judgment of the Maritime Commission be disposed of as a unit for maritime use. If not so disposed of, such personal property is hereby assigned to the disposal agency otherwise appropriate hereunder.

(3) The classes set forth under its name in Exhibit I to this regulation, except as set forth in the next succeeding paragraph.

The foregoing classes of property are herein called ships and maritime property. The Administration does not deem it feasible to assign to the Maritime Commission, and therefore assigns to the Navy Department, for disposition (a) ships under the cognizance of the Navy Department which fall into the categories of combat ships or naval auxiliaries, other than those based on commercial designs or susceptible of commercial usage, and (b) such property of classes set forth under the name of the Maritime Commission in Exhibit I to this regulation as appertains to or forms an integral part of a ship disposed of by the Navy Department.

D. War Food Administration. There is hereby assigned to the War Food Administration for disposition all surplus war property of the classes set forth under its name in Exhibit I to this regulation. Such classes of property are herein called food and are the only classes of property which the Administration deems it feasible so to assign.

E. National Housing Agency. There is hereby assigned to the National Housing Agency for disposition all surplus war property of the class of housing property. Housing property shall be deemed to include community facilities financed through the National Housing Agency which are located on the sites of, or erected for or used in connection with, housing projects, in cases where, due consideration being given to the adjoining community's rights in or partial use of such facilities, disposition thereof in conjunction with the disposition of the housing project is deemed by the National Housing Agency to be desirable and in the public interest. Housing property shall not be deemed to include vacant land, or structures other than houses, remaining after the houses of a housing project have been removed, demolished or otherwise disposed of.

F. Federal Works Agency. There is hereby assigned to the Federal Works Agency for disposition all surplus war property of the following classes:

- (1) All non-industrial real property of every character, including buildings and fixtures, other than that disposed of under part I B or I E hereof.
- (2) All community facilities financed through the Federal Works Agency.

G. Foreign Economic Administration. There is hereby assigned to the Foreign Economic Administration for disposition all surplus war property, of whatsoever nature, located outside the continental United States,

its territories and possessions, except ships in excess of 1000 gross tons, which are based on commercial designs or susceptible of commercial usage. Such ships, regardless of location, are assigned to the Maritime Commission for disposition.

H. Property Unassigned. Surplus war property not covered by the foregoing assignments, including in particular real property not covered by parts I B, I C, I E and I F, will be assigned by subsequent regulation. Pending such regulations owning agencies are authorized to exercise existing powers of disposition, keeping the Administration currently advised of their plans, policies and procedures with respect to such disposition.

I. Exceptions. There is excepted from the foregoing assignments all surplus war property of which, by part III of this regulation or by other regulation or policy statement of the Administration, owning agencies are authorized to make disposition.

J. Transfers. By arrangements authorized or approved by the Administration, property initially assigned to one disposal agency hereunder may be reassigned to another for disposition.

K. Property in certain Territories and Possessions. All surplus war property of whatsoever nature located in Alaska is hereby assigned to the Reconstruction Finance Corporation for disposal and should be reported by owning agencies to Reconstruction Finance Corporation, David E. Browne, Special Representative, P. O. Box 1349, Fairbanks, Alaska.

All surplus war property of whatsoever nature located in the territory of Puerto Rico and the Virgin Islands is hereby assigned for disposal to the Procurement Division of the Treasury Department and should be reported to the Procurement Division of the Treasury Department, Mr. J. T. Gilmer, P. O. Box 672, San Juan 3, Puerto Rico.

All surplus war property of whatsoever nature located in the Hawaiian Islands is hereby assigned for disposal to the Procurement Division of the Treasury Department and should be reported to the Procurement Division of the Treasury Department, c/o Mr. Hugh C. Tennent, Iolani Palace, Honolulu 2, T. H.

The disposal agency in the United States to which each type of property would have been declared, if located in the United States, will recommend from time to time to each agency named above as the single disposal agency for a territory or possession, such policies and procedures as it believes would be desirable for use, to the extent feasible, in the disposal of particular types of property.

## II. PROCEDURES FOR REPORTING SURPLUSES

A. Property to Be Reported. Except as to unassigned property and surplus war property of which, by part III of this regulation or by other regulation or policy statement of the Administration, owning agencies are authorized to make disposition, all property of any agency which is determined by such agency to be surplus, as provided in Executive Order



No. 9425, shall be reported as herein set forth.

B. When Reports Filed. All such surplus war property will be reported as herein set forth immediately upon the determination by the owning agency that such property is surplus.

C. Where Reports Filed. (1) Real Property: (a) All surplus real property assigned in part I of this regulation, including plants, buildings and fixtures, will be reported to the disposal agency designated in part I for the disposition thereof. Reports to the Maritime Commission will be reported to the appropriate office of that agency listed in Exhibit II to this regulation. Reports to any other disposal agency for real property, including Reconstruction Finance Corporation, will be sent to its central office in Washington, D. C.

(b) In reporting as surplus real property, or properties comprising both realty and personalty which, in the judgment of the owning agency, can best be disposed of as an integral whole, the owning agency shall submit for each unit a completely itemized and descriptive inventory docket within which the personal property involved shall be fully described and listed in conformity with the major groups (two digits) of the Standard Commodity Classification set forth in Exhibit I to this regulation: "All reports of surplus war property which is non-industrial real property shall be made on Form SWPA-5 which shall be used in the manner set forth in the instructions accompanying such form." Brief preliminary reports, presenting the major characteristics of such properties, should be submitted as far in advance of their actually becoming surplus as is possible.

(c) Whenever a property unit comprising both real and personal property has been reported pursuant to paragraph (b) above, and the disposal agency for the real property determines that any of the personal property can best be disposed of separately, such disposal agency will report such personal property to the disposal agency designated therefor under part I.

(2) Personal Property: (a) Where Reports Filed. With the exception of personal property included in reports of real estate under paragraph 1 (b) above, all surplus personal property will be reported to the appropriate office of the disposal agency designated therefor in part I, for the region in which the property is located; Exhibit II to this regulation lists all such offices and the regions covered by them: Provided, however, That (a) termination inventory property located within the continental United States, its territories and possessions may be reported to the appropriate regional office of Reconstruction Finance Corporation, and (b) where it proves impracticable to make a sufficiently complete segregation of the various classes of supply property of the Army or Navy similarly located, this regulation shall be deemed to be complied with if such supply property is reported to the appropriate regional office of the Procurement Division of the Treasury Department; all such reports shall nevertheless comply with the requirements of paragraph 2 (b) below. Pending further regulations, reports of surpluses located abroad shall be made to the central office of the Foreign Economic Administration in Washington, D. C., or elsewhere as agreed upon by that Administration and the owning

agency. All reports of surplus food shall be made to the Office of Distribution, War Food Administration, Washington, 25, D. C.

(b) Forms. All reports of surplus war property which is personal property shall, except as set forth in part II C (1) (b), be made on Forms SWPA-1 and SWPA-1 (a) set forth in Exhibit III to this regulation. Such forms shall be used in the manner set forth in the instructions forming a part of such Exhibit.

D. Where owning agency is disposal agency. Where an owning agency determines property to be surplus to its needs and responsibilities, and such surplus war property is of a class which is assigned to that same agency as a disposal agency hereunder, the reporting procedures set forth above shall not be mandatory: Provided, however, That adequate book records shall at all times be maintained, in a manner submitted to and approved by the Administration, clearly segregating from all other property under the control of the agency, property which it has determined to be surplus and which it holds for disposition pursuant to this regulation, and that information as to property so held shall be made available for inspection, circulated and reported in the same manner as information with respect to surplus war property declared to it by other owning agencies. For purposes of this provision, the subsidiaries of Reconstruction Finance Corporation through which that Corporation acts in dispositions hereunder, and that Corporation itself, may be treated as a single agency.

### III. RESPONSIBILITIES OF OWNING AGENCIES

A. Maintenance of Inventories. Owning agencies are urged to establish as promptly as practicable and maintain currently their inventory records in accordance with the Standard Commodity Classification described in Exhibit I.

B. Determination of Surplus. Each owning agency will determine what property in its possession or control is surplus, until and unless the Office of War Mobilization shall exercise the applicable authority referred to in Executive Order No. 9425. Particularly during the current phase of the war, owning agencies are urged to exercise the utmost diligence in ascertaining the existence of surpluses and declaring them promptly for disposition. Accordingly, it shall be the responsibility of each owning agency to hold only such property as may be essential for the prosecution of its programs. Through agency procedures inventories shall be reduced to these required levels by declaring as surplus all unneeded items not hereby authorized to be sold by the owning agency.

C. Sales by Owning Agencies. To the extent that surplus war property coming within the scope of this regulation is involved therein, owning agencies are authorized to dispose, or authorize contractors to dispose, of property without declaring it as surplus, in the following situations, to the full extent that such disposition is provided for or permitted by law:

(1) Termination Inventories. Termination inventories may be disposed of during the course of the termination proceedings, in accordance with the policies set forth in the Administration's letter to the major procuring agencies and Statement of Policies to be Followed by Government Agencies in the Sale of Contract Termination Inventories, both dated April 21, 1944.



(2) Nominal Quantities. Owning agencies may sell single items or groups of items, when the cost (estimated if not known) of all substantially similar items which are surplus at any one location does not exceed \$2,500.

(3) Scrap and Salvage. Pending the issuance of specific regulations governing scrap sales of property other than termination inventories, property which is damaged beyond economical repair, and waste, scrap, salvage and other comparable items, may be sold by owning agencies. Such sales shall be made in conformity with the policies to procedures set forth in part IV of the Administration's Statement of Policies to be Followed by Government Agencies in the Sale of Contract Termination Inventories, dated April 21, 1944, where applicable, or in conformity with established salvage procedures or manuals of the owning agencies, if such procedures or manuals have been filed with the Administration. Sales of scrap by owning agencies shall be reported to the appropriate regional office of Reconstruction Finance Corporation (whether or not such scrap constitutes termination inventory) in such manner and at such times as that Corporation shall direct. That Corporation shall promptly advise the Administration of any situation in which scrap sales in any area are at such unsatisfactory price levels that sales should be stopped. That Corporation shall likewise, at the earliest possible moment, provide a system of local or regional consultants upon whom the representatives of the owning agencies can call for advice and assistance on questions concerning the scrapping of property and the marketing of scrap.

(4) Property Located Outside the United States.

(a) In active theaters of operation. Military and naval commanders in active theaters of operation may sell or otherwise dispose of any surplus property within their control.

(b) General. Owning agencies, pending further regulations, may sell surplus property in localities outside the continental United States, its territories and possessions where the Foreign Economic Administration has no local representative, and in localities in the territories and possessions of the United States where the appropriate disposal agency has no local representative.

(5) Advance Clearance. Where special circumstances, such as danger of deterioration or sanitary or other hazard, make immediate sales by owning agencies desirable without surplus declaration advance clearance may be obtained from the Administration or such agency as it may designate for the purpose.

(6) Miscellaneous. Owning agencies may dispose of property produced as a result of industrial, research, agricultural or livestock operations, or residual to any public works construction or maintenance project, carried on by them, to the extent authorized by existing law, under established procedures and methods of the agency, if such procedures or methods have been filed with the Administration. Such sales shall be reported to the appropriate disposal agency in such manner and at such times as such disposal agency shall direct.

D. Reports to Disposal Agencies. (1) Regional Basis of Reporting. Owning agencies will establish and maintain such organizations and procedures as are necessary to enable them to make reports of surplus property to the disposal agencies on a regional basis, in accordance with the procedures established in part II of this regulation.

(2) Withdrawal of Property Reported. After reporting property to a disposal agency, the owning agency will hold the property subject to disposition instructions from the disposal agency. When property has been reported as surplus, the disposal agency shall thereupon have the exclusive right and obligation to make disposition thereof for the United States. Where unforeseen circumstances arise, however, the owning agency may, with the consent of the disposal agency, withdraw such property for its own use or other disposition prior to its disposition by the disposal agency.

(3) Limitations on Power of Disposal. Owning agencies will accompany each report of surplus with a statement clearly indicating what, if any, legal restrictions exist as to their power to dispose of the property in question. In the absence of any such statement, disposal agencies shall conclusively assume that they have unrestricted power to dispose of the property for the United States, subject to the applicable regulations of the Administration.

E. Storage, Packing and Shipping. (1) Future Policy. The Administration recognizes the desirability of having a single responsibility for both the sale and the storage, packing and shipping of each class of surplus property. Manpower and facilities shortages prevent this from being effected at the present time. Every effort will be made, however, to provide for the requisite transfer from owning to disposal agencies as soon as these conditions permit, and certainly at some stage between the ending of the first phase of the war and conclusion of the war.

(2) Present Operations. (a) The owning agency will provide storage for property reported to the disposal agency pending removal or disposal by the disposal agency. At the request of the disposal agency the owning agency will permit reasonable inspection of the property. Upon receipt of shipping instructions from the disposal agency, the owning agency will prepare the property for shipment and will ship in accordance with such instructions.

(b) Pending further regulations, accountability for surplus property will pass to the Procurement Division of the Treasury Department, as to property assigned to it under part I of this regulation, to the same extent and in the same manner as has heretofore been the case under Executive Order 9235, but accountability for all other surplus property will remain in the owning agency until the property is delivered upon the order of the disposal agency.

(c) In the case of surplus real property the owning agency will protect and maintain the property until disposed of by the disposal agency, unless the disposal agency shall theretofore assume responsibility for such protection and maintenance. Accountability for such property will remain in the owning agency until such disposition or assumption of responsibility by the disposal agency.



#### IV. RESPONSIBILITIES OF DISPOSAL AGENCIES

A. Disposal. Disposal agencies shall have the exclusive right and obligation to make disposition, subject to the regulations of the Administration, of all property declared to them as surplus. They shall conclusively assume, unless otherwise notified by the owning agency, that property declared as surplus by an owning agency is property of the United States and that they have unrestricted power to dispose thereof for the United States, subject to the applicable regulations of the Administration. The exclusive responsibilities of disposal agencies shall include determining methods of sale, identity of purchasers and price, execution of all necessary documents in connection with disposal, including any necessary documents of title, and the collection and proper treatment of all proceeds. The military agencies, if they so request in conjunction with the report of surplus, will be consulted prior to the sale of any tactical equipment reported by them.

B. Inventories. Disposal agencies will establish and maintain, in each region in which they receive reports of surplus inventories of all surplus war property reported to them. Such inventories will be maintained in accordance with the Standard Commodity Classification described in Exhibit I.

C. Storage, Packing and Shipping. Disposal agencies will proceed as promptly as is practicable so to organize their activities and personnel as to carry out the policy set forth in part III E (1) of this regulation.

#### V. INTERAGENCY COOPERATION

While there shall be strict adherence to the basic principle of Executive Order No. 9425 that there shall be a single disposal agency for each class of property, disposal agencies will make use, to the extent practicable, of facilities of other agencies which can assist them in their task, and will in turn, through the organization of regional consultants and coordinating and advisory committees and otherwise, render all possible assistance to owning agencies in connection with dispositions made by or under the authority of the owning agencies. Conversely other agencies will make available to the disposal agencies all assistance and facilities which the disposal agencies may reasonably request.

#### VI. SALES POLICIES

All sales of surplus war property, whether made by disposal agencies or by or under the authority of owning agencies, will be made in accordance with the policies, regulations or directions of the Administration or, with its authority, of the disposal agencies. In the absence of specific directions, such as those heretofore issued with respect to sales of termination inventories, sales may be made in such manner as the selling agency shall deem advisable, adhering to the primary principle that a reasonable test of the market, having due regard for the nature, condition, quantity and location of the property, is a necessary prerequisite to any sale.

## VII. ACCOUNTING PROCEDURES

Pending specific regulations on the subject, accounting and fiscal procedures and practices of the disposal agencies shall be conducted by the disposal agencies in such manner as they deem appropriate in order to conform to existing laws and regulations.

## VIII. REDISTRIBUTION WITHIN GOVERNMENT

Disposal agencies will so organize their activities that information as to the availability of surplus war property will at all times be readily obtainable by all agencies. Information as to stocks will be interchanged between offices of the disposal agencies in order that large quantities of scarce items reported in one region may be made available to other regions for distribution, where appropriate. Pending the issuance of more specific instructions, both the procuring agencies and the disposal agencies will take all practical steps to assure as full utilization within Government of available surplus property as is consistent with (a) the nature of the item, (b) timely procurement by the procuring agencies, and (c) prompt disposal by the disposal agencies. Except in cases of withdrawal of property by the owning agency pursuant to part III D (2) hereof, disposal agencies shall transfer surplus war property to acquiring agencies at the fair value thereof as fixed by the disposal agency, unless transfer without reimbursement or transfer of funds is specifically authorized by law.

### EXHIBIT I TO REGULATION NO. 1

#### Assignment of Property to Disposal Agencies

The assignments herein contained are based on the classifications contained in the Standard Commodity Classification (Government Printing Office, May 1943, and February, 1944). That Classification contains a number of so-called major groups, which are designated by two digits only (such as 01-Live Animals; 65 - Drugs and Medicines). These major groups in turn are broken down into classes of property represented by the two digits of the major group plus additional digits (such as 65 48 - Marine liver oil, etc.). All of the major groups now being assigned are listed in this Exhibit, but only such of the lesser groups are listed as are necessary to carve out of a major group assigned to one agency types of property included therein which are assigned to another. For a complete breakdown of each major group, reference must be made to the Standard Commodity Classification itself.

It should further be noted that for reporting purposes, while reference to this Exhibit is necessary to ascertain the proper disposal agency, one report may include all property in a major group (two digits) at one location which is assigned to a single disposal agency.



# PART 1--CRUDE MATERIALS

Reconstruction Finance Corporation

Treasury Procurement

War Food Administration

01

Live Animals, other than food animals

01

Live Animals, except non-food animals

02

Crude Animal Products, Edible

03 Crude Animal Products

Inedible, Except Fibers

04

Crude Vegetable Products, Edible

05 5 Crude rubber and allied gums

05 628

lac

05 7 Crude medicinal herbs, roots, barks, and other plant parts, except U.S.P., N.F. and similar grades

Crude cork

05 93

Loofa Sponges

05 94 Fibers, Vegetable and Animal, Unmanufactured (except as indicated) (Note inclusion of foreign wool and mohair)

06 Unmanufactured (except as indicated) (Note inclusion of foreign wool and mohair)

06 1

Cotton

06 22

Flax (Only Domestic Production)

06 23

Hemp (Cannabis Sativa)

06 5

Wool and related specialty hair (only domestic production)

07 Coal, Crude Petroleum, and Related Crude Hydrocarbons

08 Metallic Ores, Tailings, Concentrates and their unrefined

08 Metallic Products

09 Crude Nonmetallic Minerals, Except Coal and Petroleum

Crude Nonmetallic Minerals, Except Coal and Petroleum

Crude Nonmetallic Minerals, Except Coal and Petroleum

Crude Nonmetallic Minerals, Except Coal and Petroleum

# PART 2--BASIC MATERIAL AND PRODUCTS

War Food Administration

Treasury Procurement

Reconstruction Finance Corporation

11	Leather				
12	Boot and Shoe Cut Stock and Shoe Findings				
13	Wood Basic Materials, Except Pulpwood (except as indicated)	13	91	Cooperage Stock, Fabricated	
		13	92	Rattan, Willow and Bamboo Stock	
		13	94	Box and Crate Shook	
		13	97	Handles	
		14		Pulp, paper and paper board (except as indicated)	
14	Pulpwood				
14	Paperbase stocks except pulp				
14	Woodpulp				
14	Other Pulp				
14	Building paper				
14	Building board				
15	Jute Basic Textiles	15		Textile Basic Manufactures (except as indicated)	
15	Curled hair (similar to 06.7)				
15	Silk Semi Manufactures				
15	Silk Yarn				
15	Rayon, Nylon etc. Semi Manufactures				
15	Rayon, Nylon, etc. Yarn				
15	Jute Cordage except sizes less than 1/4" cross sectional diameter				
15	Soft Fiber Cordage except sizes less than 1/4" cross sectional diameter				
15	Hard Fiber Cordage and Twine (All)				
16	Industrial Molasses	16		Food and Beverage Basic Materials (except as indicated)	
17	Waxes, Animal and Vegetable				
18	Petroleum and Coal Products. Except Raw Materials for Chemical Industries	17		Oils, Fats, Waxes and Derivatives, Animal and Vegetable (except as indicated)	



# PART 3--END PRODUCTS

Reconstruction Finance Corporation	Treasury Procurement	War Food Administration
19 Chemical (except as indicated)	19 Rosins	271
	19 Turpentine	272
	19 Pine Oil	274
	19 Pine Pitch	275
	19 Pine Tar	276
21 Iron, and Iron and Steel Scrap		
22 Steel (except as indicated)	Barbed and twisted wire	
23 Ferro and Nonferrous Additive Alloys		
24 Nonferrous Metals	Truck Tanks	
25 Fabricated Metal Basic Products (except as indicated)	Builders' Basic Hardware	
	Rigging Hardware and Chain Attachments	
	Motor Vehicle Hardware	
	Casket Hardware	
	Furniture Hardware	
	Trunk & Luggage Hardware	
	Misc. Basic Hardware	
	Automotive Vehicle Bodies	
	Combat Vehicle Bodies	
	Insect Screening	
	Woven Wire Fencing	
	Wire Nails, Tacks & Staples	
	Wire Springs	
	Wire Chain	
	Chain Link Fencing	
	Wire Hoops	
	Chain and Attachments	
	Bolts, Nuts, Screws, Rivets, Etc.	
	Cut Nails, Tacks & Spikes	
	Misc. Fabricated Products	
	Glass Basic Products	
26 Nonmetallic Mineral Basic Products--Chiefly Structural (except as indicated)		

# Reconstruction Finance Corporation

## Treasury Procurement

## Maritime Commission

27 Nonmetallic Mineral Basic Products--Chiefly Non-structural (except as indicated)

27 1 Glass Basic Products (except 3 items)

27 1431 Railroad Signal lenses

27 152 Radio tubes (glass only)

27 16 Insulators)

27 32 Asbestos and asbestos metallic packing and gaskets, to the extent of automotive parts.

27 33 Asbestos woven or moulded friction material, to the extent of automotive parts, (principally brake linings and clutch facings).

Pottery

27 92 Pottery Supplies

27 93 Ceramic Products

27 94 Rubber Fabricated Materials

29 Miscellaneous Basic Materials (except as indicated)

29 1 Automotive Plastic Parts, also

29 28 any motor vehicle items elsewhere in 29 2

29 91 Button Blanks, Moulds and other parts

29 92 Beads, Bugles and Spangles

29 95 Catgut and Wormgut

31 General Purpose Industrial Machinery & Equipment (except as indicated)

31 6 Industrial trucks, tractors, trailers, stackers and accessories

31 97 Lubrication equipment--to the extent the items are for use in connection with motor vehicles

31-211142 Compressors, air, portable, skid or wheel mounted, two stage, powered by gasoline or Diesel motors, capacities 50 to 500 cubic feet

31 582 Winches

31 583 Anchor Windlasses

31 584 Capstans



# Reconstruction Finance Corporation

## Treasury Procurement

### Maritime Commission

31-4930	Conveyors, construction
31-4931	Material, portable belt type; and for portable plants.
31-3100	Less Crushers jaw, roll and & crushing plants portable type
31-3150	Derricks
31-3160	& Pumps, portable, centrifugal, plunger, diaphragm or sump, powered by gasoline
31-5700	Diesel or electric motors, ordinarily used for contractors' purposes or by contractors.
31-2220	Screening plants, portable type. Screens rotary vibrator and gravity type.
31-2250	Battery Charging Generators (except Aircraft)
32 412	Starter Motors (except Aircraft)
32 432	Motor Ignition Equipment (except Aircraft)
32 45	Fuses
32 51	Lamp Sockets
32 53	Lamps (except 32 73 Aviation Service Lamps)
32 7	Electric appliances, household and commercial
32 8	Dry Cell Batteries
32 91	Storage Batteries
32 92	Tire repairing machinery and equipment
33 54	Automobile service station equipment
33 995	
33	Special Industrial Machinery
34	Metal Working Machinery
35	Agricultural Machinery & Implements

36	Construction, Mining, Excavating and Related Machinery	
37	Tractors	
38	Office Machines	
39 11	Home Type Laundry Equipment	
39 20	Home Sewing Machines	
39 43	Calculating & Computing Scales	
39 44	Coin Operated Scales	
39 45	Spring Scales, Household	
39 50	Cash Registers	
39 60	Coin Operated Machines	
41 1	Radio Broadcast receivers	
41	Communications Equipment and Electronic Devices (except as indicated)	
42	Aircraft	
44	Railroad Transportation Equipment	
45	Motor Vehicles	
49	Misc. Transportation Equipment	
51	Plumbing and Heating Equipment	
52	Ice Making and Cold Storage Plant Systems, Components and Accessories	
52 92	Industrial Refrigeration Units	
52 12	Central Station Air Conditioning Systems	
53 32	Railroad Signal Fixtures	
53 7	Airport, Airway & Seadrome lighting	
53 81	Train lighting fixtures	
53 86	Aircraft lighting fixtures	
53	Lighting Fixtures (except as indicated)	
54	Furniture & Fixtures	
53 2	Marine Fixtures	
43	Ships, Small Watercraft and Marine Propulsion Machinery	



## Reconstruction Finance Corporation

## Treasury Procurement

## Maritime Commission

55	Photographic Goods and Processed Motion Pictures	
56	Optical Instruments & Apparatus	
57 112	Glass Stemmed Laboratory Thermometers	
57 113	Glass Stemmed Clinical Thermometers	
57 114	Household and Commercial Thermometers	
57 119	Thermometers Not Elsewhere Classified	
57 14	Heating & Ventilating controls and accessories	
57 56	Taximeters and Parking meters	
57 341	Household refrigeration controls	
58	Professional and Scientific instruments and Apparatus	
59	Miscellaneous Equipment (except as indicated)	
59 15	Indicating, Recording and Controlling Instruments and Accessories except watches and clocks (except as indicated)	
59 18	Hazard measuring devices	
59 20	Machine guards	
59 241	Water purification equipment except 59 241, Home Water softeners	
59 55	Sprinkler System Components	
59 77	Railroad Signal Controls	
65	Drugs and Medicines (except as indicated)	

57 65	Compasses and accessories (Marine)
57 66	Azimuths Sextants and Octants

57 691 Taff Rail Logs

War Food Administration

61	Food, Manufactured
62	Feed, Manufactured
63	Beverages and Ice
64	Tobacco Manufactures
65	Marine liver oil, derivatives, and preparations, except Marine liver oil Composites in Solution,

65 68  
Vitamin, m.g.  
Preparations containing  
one and more than one  
Active Compounds and  
Vitamins, Vitamin-



66	Toiletries, cosmetics, soap, and household chemical preparations.	
67	Apparel, except footwear	
68	Footwear	
69	Fabricated Textile Products except apparel	
71	End Products of Leather except apparel, Footwear and luggage	
72	Converted Paper Products and Pulp Goods	
73	Products of Printing and Publishing Industries	
74	Rubber End Products	
75	End Products of Metal Industries	75 953 Cargo nets, wire rope
76	Finished Wood Products, (except Furniture and Rail Work) (except as indicated)	75 954 Wire rope slings
77	End Products of Glass, Clay and Stone	
79	Miscellaneous End Products of Manufacturing Industries.	
81	Small Arms and Components	
83	Small Arms Ammunition and Specifically adapted Components	

76 51 Lasts for boots and shoes  
76 52 Last sole patterns



